

COUNTERNARCOTICS STRATEGIES IN LATIN AMERICA

HEARING BEFORE THE SUBCOMMITTEE ON THE WESTERN HEMISPHERE OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED NINTH CONGRESS

SECOND SESSION

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COUNTERNARCOTICS STRATEGIES IN LATIN AMERICA

THURSDAY, MARCH 30, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:38 a.m., in room 2172, Rayburn House Office Building, the Honorable Dan Burton (Chairman of the Subcommittee) presiding.

Mr. BURTON. Good morning. A quorum being present, the Subcommittee on the Western Hemisphere will come to order. I ask unanimous consent that all Members and witnesses written and opening statements be included in the record, and without objection, so ordered.

I ask for unanimous consent that all articles, exhibits, and extraneous or tabular material referred to by Members or witnesses be included in the record, and without objection, so ordered.

We have an unusual situation. Henry Hyde, the Chairman of the Full Committee, feels so strongly about the issues we are talking about, he gave me a statement that he would like for me to read into the record.

So I hope that the panel will bear with me. You have to listen to Henry Hyde, the Chairman's statement, and then you have to listen to mine. So I apologize for the duration of these statements, but they are very important. At least, we think so.

This is from the Chairman of the Full Committee, Henry Hyde, on the subject of counternarcotics in Latin America.

Chairman Hyde had hoped to be with us this morning, but unfortunately he could not be here, and here is what he writes:

"Dear Chairman Burton, I want to thank you for holding today's critical hearing on the struggle against narcoterrorism in our hemisphere. I had hoped that my schedule would have permitted me to attend in person so I could hear from the witnesses that you have invited to testify.

"As a strong supporter of United States counternarcotics efforts throughout the world, I am concerned that our efforts to fight the scourge of illegal narcotics seem to be adrift in our hemisphere. It is my hope that this hearing will serve to right this course, and reassure the American people and their allies in the Andes and in the United States that the United States Government is still standing with them, and will continue to support them in our mutually beneficial war on drugs.

"I request that you have this letter read into the record at the opening of your hearing. During consideration of the fiscal year 2006 emergency supplemental bill, you offered an amendment which would provide additional counterdrug aid to Colombia to support critical operational activities of the Colombian Navy.

"The amendment passed the House on an overwhelming 250 to 172 vote, sending a clear signal to the Administration that Congress continues to demand strong engagement in the very unstable Andean Ridge, where deadly cocaine and heroin are produced and shipped to the United States.

"After 5 years of Plan Colombia, we are finally seeing success in our war on drugs. On American streets today the price of illegal narcotics is going up, while purity is falling. As a result, we are seeing fewer overdoses and drug related deaths in our communities.

"Unfortunately, these positive results have seemed to have lulled the Administration—and that is you guys—into a false sense of security, causing it to claim a premature victory in Colombia, and turn its attention to the Middle East and elsewhere.

"By doing this, it is likely to turn a winning hand into a losing one by tragically not fully supporting sustained vital assistance to our best ally in the Andean region, Colombia, and its leader, President Uribe.

"This would be unconscionable and we cannot let it happen. We will not let Latin America slip away from its long free and democratic moorings. The Colombians see light at the end of the tunnel under President Uribe, but still need our help to assist him in securing their nation once and for all.

"Unless we provide new and replacement counterdrug air assets and equipment, we will allow the terrorist group, FARC, to reenter the region as the newly demobilized paramilitaries have left, permitting them to consolidate their hold on the drug trade, and continue to destabilize the nation.

"It is time for us to recommit ourselves to providing our closest ally in South America the right equipment and training to allow them a chance to prevail against the narcoterrorism that also threatens us. This is especially so, now that the United States has indicted at least 50 FARC leaders on drug trafficking charges.

"To that end, we need to replace 23 lost CNP aircraft, increase interdiction capabilities by the Colombian Navy on both coasts, and retarget and prioritize the use of the existing air assets in Colombia to pursue the FARC leadership and other High Value Targets, continue the fight against drugs and help President Uribe bring lasting peace and stability to Colombia.

"At a time when United States backed counternarcotics and counterterrorist efforts have helped bring about the demobilization of more than 26,000 right-wing paramilitaries of the terrorist and drug trafficking group UAUC, and when there are nearly 7,000 FARC defectors, now is not the time to cut aid to Colombia and lose the leverage we have gained in helping them fight our battle against drugs.

“All of these matters are in our national interests of saving lives here at home. I have asked for a reprioritization of the United States aid in Colombia in the past, and I do so again today. I hope that someone in the Administration is listening; our drug czar is clearly not. I ask that my letter to Secretary of State Condoleezza Rice of October 5, 2005, on the subject of air asset reprioritization, also be made part of the record. I look forward to continuing to work with you and hope that we can turn around the neglect in the Andean region before it is too late.

“We will regret not standing more closely with our allies in the Andes, especially concerning illicit drugs, where there are players who are not our friends, such as President Chavez of Venezuela, or Evo Morales in Bolivia, who has strong contrary views concerning United States policy on coca production.

“They and others seek to undo all our efforts of the last 20 years against narcoterrorism, destabilize the region, and in some cases, roll back democracy. We cannot let that happen. Sincerely, Henry Hyde.”

I ask unanimous consent that Chairman Hyde’s letter to me and to Secretary of State Condoleezza Rice be entered into the record, and without objection so ordered.

[The information referred to follows:]

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One Hundred Ninth Congress

Congress of the United States
Committee on International Relations
House of Representatives
Washington, DC 20515

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March 30, 2006

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DIPLOMATIC CHIEF COUNSEL

The Honorable Dan Burton
Chairman
Subcommittee on the Western Hemisphere
House International Relations Committee
Washington, D.C. 20515

Dear Mr. Chairman:

I want to thank you for holding today's critical hearing on the struggle against narcoterrorism in our hemisphere. I had hoped my schedule would have permitted me to attend in person so I could hear from the witnesses you have invited to testify. As a strong supporter of U.S. counternarcotics efforts throughout the world, I am concerned that our efforts to fight the scourge of illegal narcotics seem to be adrift in our hemisphere. It is my hope that this hearing will serve to right this course, and reassure the American people and their allies in the Andes that the United States Government is still standing with them and will continue to support them in our mutually beneficial war on drugs. I request that you make this letter part of the record of your hearing, along with its attachment.

During consideration of the FY 2006 Emergency Supplemental bill, you offered an amendment which would provide additional counterdrug aid to Colombia to support critical operational activities of the Colombian Navy. The Amendment passed the House on an overwhelming 250 to 172 vote, sending a clear signal to the Administration that Congress continues to demand strong engagement in the very unstable Andean ridge, where deadly cocaine and heroin are produced and shipped to the United States. After five years of Plan Colombia, we are finally seeing success in our war on drugs. On American streets today, the price of illegal narcotics is going up while purity is falling. As a result, we are seeing fewer overdoses and drug-related deaths in our communities.

Unfortunately, these positive results seem to have lulled the Administration into a false sense of security, causing it to claim a premature victory in Colombia and turn its attention to the Middle East and elsewhere. By doing this, it is likely to turn a winning hand into losing one, by tragically *not* fully supporting sustained vital assistance to our best ally in the Andean region, Colombia, and its leader, President Alvaro Uribe. This would be unconscionable, and we cannot

The Honorable Dan Burton
March 30, 2006
Page two

let it happen. We will not let Latin America slip away from its long, free, and democratic moorings.

The Colombians see light at the end of the tunnel under President Uribe, but still need our help to assist them in securing their nation once and for all. Unless we provide new and replacement counterdrug air assets and equipment, we will allow the terrorist group, FARC, to re-enter the regions the newly demobilized paramilitaries have left, permitting them to consolidate their hold on the drug trade and continue to destabilize the nation. It is time for us to recommit ourselves to providing our closet ally in South America the right equipment and training to allow them a chance to prevail against the narco-terrorism that also threatens us. This is especially so, now that the United States has indicted at least 50 FARC leaders on drug trafficking charges.


To that end, we need to replace 23 lost CNP aircraft, increase interdiction capabilities by the Colombian Navy on both coasts, and retarget and prioritize the use of the existing air assets in Colombia to pursue the FARC leadership and other High Value Targets, continue the fight against drugs, and help President Uribe bring lasting peace and stability to Colombia. At a time when U.S.-backed counternarcotics and counterterrorism efforts have helped bring about the demobilization of more than 26,000 right-wing paramilitaries of the terrorist and drug trafficking group AUC, and when there are nearly 7,000 FARC defectors, now is *not* the time to cut aid to Colombia and lose the leverage we have gained in helping them fight our battle against drugs. All of these matters are in our national interest of saving lives here at home.

I have asked for a reprioritization of the U.S. aid in Colombia in the past, and I do so again today. I hope someone in the Administration is listening; our Drug Czar is clearly not. I ask that my letter to Secretary of State Condoleezza Rice of October 5, 2005, on the subject of air asset reprioritization, also be made part of the record.

I look forward to continuing to work with you and hope we can turn around the neglect in the Andean region before it is too late. We will regret not standing more closely with our allies in the Andes, especially concerning illicit drugs, where there are players who are not our friends, such as President Chavez of Venezuela, or Evo Morales in Bolivia, who has strong, contrary views concerning U.S. policy on coca production. They, and others, seek to undo all of our efforts of last 20 years against narco-terrorism, destabilize the region and, in some cases, rollback democracy; we cannot let that happen.

With best wishes,

Sincerely,



HENRY J. HYDE
Chairman

HJH:jpm/mco
Attachment

HENRY J. HYDE, ELIMOR
Chairman

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Washington, DC 20515

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October 5, 2005

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Democratic Chief Counsel

The Honorable Condoleezza Rice
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20520

Dear Madam Secretary:

Thank you for your letter of August 10, 2005, making clear that the 72-hour pre-planning restriction on U.S. air assets used by the Colombian National Police (CNP) was, in fact, not applicable in cases where the CNP wanted to pursue potential operations against high value targets (HVTs). The arbitrary use of this 72-hour requirement by the U.S. Embassy Bogotá was, instead, a risk-averse approach, which virtually assured the CNP could not take down a HVT, many of which can cross a nearby border in a few hours, rather than days.

The case illustrates the great need for clear, targeted and reasonable priorities in the use of U.S.-provided air assets in Colombia for the unified campaign against both drugs and terrorism. After several years of Plan Colombia, as a result of changes on the battlefield and the fight against illicit drugs, we need to review and set new priorities regarding how the CNP, our long-time partner and ally, can best use these air assets.

Things have changed dramatically since 2000 when the Black Hawks, followed by many Huey IIs, first became operational for CNP use, along with the unified authority to use these assets against both drugs and terror as provided by the Congress.

Today, we are seeing nearly 40 percent of the cocaine from Colombia targeted toward Europe, and there are strong indications that some of the opium crop is moving into Peru, with the narco-terrorists feeling the heat from the central government. We can win the drug war in Colombia by challenging and bringing to justice those narco-terrorist leaders who are responsible for the massive drug trade originating in remote regions of Colombia.

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We should prioritize the use of CNP air assets to reflect these new realities, and following are some suggestions ranking in order of importance:

1. Consider potential strategies to take down HVTs that have some reasonable chance of success (no one can guarantee success, but if you don't look, you will never find HVTs);
2. Further eradicate opium poppy - in order to continue the dramatic success in the *reduction* of the export of heroin from Colombia to the United States and the tremendous progress we're making in increasing the price and reducing the purity of heroin from Colombia, which helps continue the trend in fewer overdoses here at home;
3. Take down HCL cocaine labs which produce large quantities of cocaine for export - we can always eradicate coca (see item 4 below) once the productive and expensive cocaine laboratory targets are *not* readily available; and, finally,
4. Continue traditional coca eradication and verification programs - they have drained the narco-terrorists of vast sums of money and the means to finance their terrorism.

It is also clearly understood that the top priority with regard to the use of CNP aerial assets should change when the occasion and need arise for "*force protection*," especially whenever CNP officers come under attack anywhere in Colombia and could possibly be rescued with these air assets. This priority, like item 1 above pertaining to HVTs, would involve the use of assets on an "as needed" and limited basis, leaving CNP air assets for other traditional missions as well, most of the time.

The air tasking debate prompted by the misguided 72-hour HVT rule for the CNP, nearly five full years after these air assets were provided to the CNP, is healthy and necessary. Recent developments on the ground, both in illicit drug production and terrorism, should prompt some changes and reevaluation with regard to Plan Colombia operations. We cannot stay on auto-pilot if we want to win.

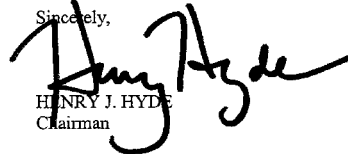
I welcome the input of the State Department in reprioritizing the use of CNP air assets. We have developed our priority suggestions after extensive consultation with both former and current Drug Enforcement Administration (DEA) and CNP personnel, all of whom are well-versed in the drug war involving Colombia and who want to win the drug war, *not* just maintain the status quo.

If the Department were to have an honest, open and independent dialogue with existing high-level personnel in both the DEA and the CNP, I suspect our list of priorities for CNP air assets would not significantly differ.

The Honorable Condoleezza Rice
October 5, 2005
Page Three

I look forward to hearing from you and receiving your list of priorities regarding the much-needed air assets program for the Colombian National Police.

With best wishes,

Sincerely,

HENRY J. HYDE
Chairman

HJH:jpm/jec

Mr. BURTON. I am going to enter my statement in the record as well, because I do not want to be redundant. Chairman Hyde says a lot of things that I have said. I have been down there to Colombia. I have met with President Uribe.

I have met with leaders of the other countries down there, and I think what the Chairman said is exactly right. We have problems in other parts of the world, and we have diverted assets to those other parts of the world to fight the war against terrorism.

I think the war against terrorism is very, very important. However, in our own back yard, we have severe problems. President Chavez is getting over \$100-million a day in oil revenues, \$60-million of it from us.

He has made outlandish statements. I saw one yesterday that I could not believe. Chavez was calling President Bush every name under the sun, and he has called the Secretary of State every name under the sun.

Now we have Mr. Morales, whom I hope to meet and talk with, and hopefully he will have a different attitude from President Chavez. I have talked to his Vice President, but I want to see Mr. Morales.

President Morales has indicated in some pretty strong language that we are not the best friends of that region. Currently, President Uribe is the guy that is standing alone in that particular area fighting the war against drugs. In addition, President Uribe is working very hard to help the United States, and help the kids of this country, and protect the streets of this country.

We had a request, and the Speaker of the House was supportive of the request, for 23 aircraft. We got virtually no support from the Administration. Now, we were able to get three of the aircraft through the House by the majority that Chairman Hyde spoke about.

I think that was a step in the right direction, and that will give us more eyes and ears to watch some of the transactions taking place and the traffic going through the Caribbean and subsequently through Mexico.

Sixty-five percent of the drugs that get beyond Colombia get into the United States. Two-thirds. Yet, we aren't getting the support that we would like from the Administration in order to deal with this.

Now, I want to ask a couple of questions when we reach the question and answer period, but I have been told that we lost 23 aircraft in the last few years. However, I have some records that indicate that we have lost a lot more than that, and the Administration is not even aware of it.

Without the proper equipment, we simply cannot do the job and President Uribe cannot do the job. So, I hope that you will take back to Secretary of State Rice, for whom I have the highest regard, and to the drug czar, for whom I have regard, and to the rest of the Administration, let us not forget our front yard or back yard, whatever you want to say.

Let us not forget them, because we had a war down there in the early 1980s, and I don't want to prolong this, but I was down there. I was around Congress back in those days. You guys probably were not here, but I was here.

I saw what happened as far as massive immigration; people losing their property and coming to the United States in droves. You may not know this, but we have a big immigration discussion going on right now in Congress, and if things get out of control in Latin America because of Chavez, Morales, Castro, or Daniel Ortega, we are going to have big problems.

We could have wars down there that would be very bad, and maybe even rival the things that we have faced in the Middle East. The key to stopping that from happening, in my opinion, is to give our friends the assets necessary to deal with the problem now. Do not wait around.

Three aircraft are not going to cut it. It just is not going to solve the problem. We need a lot more than that, and in addition to that, we need other things, like continued trade agreements that will help create jobs and stabilize the region.

You guys are here today to talk to us about the drug problem. I hope that you will carry this message back from Chairman Hyde, Chairman of the Full Committee, and me as Chairman of the Western Hemisphere Subcommittee, and my other colleagues, because I think that it is extremely important that we pay attention to this area.

I would like to ask for unanimous consent to take my written statement and submit it for the record, and without objection, so ordered.

Mr. Engel, welcome as my new Ranking Democrat Member. Mr. Engel replaces Mr. Menendez, who went to the lower body. I have to explain that to you some other time. Mr. Engel.

[The prepared statement of Mr. Burton follows:]

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

With vigilance we are making progress in our counter-narcotics programs in Latin America. But there are challenges to keep up the pace and reinforce existing programs. We have lost critical hardware used in the eradication and interdiction of narcotics in the Andean region. We have diverted some equipment to other theaters of operation. There are gaps in our surveillance of key areas of the illicit drug transit zone in Central America and the Caribbean due to declining availability of air and surface patrol craft. These problems need to be remedied.

Last week the U.S. District Court in Washington indicted 50 FARC leaders on charges of sending more than \$25 billion worth of cocaine around the world to finance terrorism. The indictment estimates that the FARC supplies more than half of the world's cocaine and 60 percent of the drug that enters the United States. This indictment is the culmination of extensive counter-narcotics cooperation. We need to keep up the pressure on the drug traffickers through close law enforcement coordination. We will hear more about the indictment from our first panel.

Two weeks ago the Burton Amendment to the *Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006* passed with bipartisan support in the House. Our Amendment offers \$26.3 million in assistance to Colombia for the purchase of three new DC-3 fixed-wing aircraft to serve as Marine Patrol Aircraft (MPA) for Colombian Navy drug interdiction efforts. The aircraft will help the Colombian Navy locate and stop illegal narcotics shipments both onshore and immediately off the Colombian shoreline, thus making overall interdiction efforts more effective.

It has been reported that if drug traffickers make it to the coasts of Colombia, they have a 65 percent chance of getting their shipments into the United States. In our on-going efforts to protect our homeland, it is essential that we cut off this toxic pipeline before these drugs make it onto our streets and communities. If we can prevent these drugs from leaving Colombia, we help cut back on regional vio-

lence, limit the bloodshed on the U.S.-Mexican border and protect our children from harm.

The strategic objective of this hearing is to provide Subcommittee members with insights to the Annual International Narcotics Control Strategy Report, an assessment of funding levels and performance indicators for strategies including eradication, interdiction, surveillance and other aspects of the drug war.

We are pleased to have Assistant Secretary Patterson with us to testify on our counter-narcotics strategy in Latin America. Your testimony today will help provide the Subcommittee with an update on trends in major illicit drug producing, drug transit, source, precursor chemical and money laundering countries.

I am interested to hear your views on how we can improve cooperative partnerships in Latin America in combating narcotics production and trafficking to the United States.

The International Narcotics Strategy Report, is published annually by the State Department's Bureau for International Narcotics and Law Enforcement Affairs. The report provides a useful snapshot of the progress and challenges we face in the Drug War.

The progress in Colombia is significant. In 2005, kidnappings were down 51 percent and homicides by 13 percent. Last year with U.S. and international support, Colombia destroyed 170,000 hectares of illegal coca through aerial and manual eradication programs. I received an update earlier this month from the State Department that Colombia's military and police forces captured a record 223 metric tons of cocaine and cocaine base. The amount of cocaine that was kept off the streets of the United States totaled 378 metric tons with an estimated street value of \$38 billion. In 2005, an all-time high of 134 people were extradited from Colombia to face charges in the U.S. Mexico extradited a record 41 criminals and expelled other fugitives last year.

Aggressive aerial spraying is forcing drug traffickers to move shop, and they are on the run replanting in other parts of Colombia and crossing borders into Ecuador and Peru. This balloon effect must be tamped down.

Peru and Bolivia remain the second and third largest producers of coca. Bolivia is the world's third-biggest producer of cocaine, after Colombia and Peru. We have witnessed mixed signals from the new President. One day he says he wants to work together to fight drugs, the next day he appears in front of a banner reading "Long live coca. Death to the Yankees." Clearly our relationship with the new government in Bolivia is changing and will depend upon the policies they adopt on a wide range of issues, including counter-narcotics.

Another key relationship in the region is under strain. Venezuela was de-certified last year after failing to adhere to obligations under international counter-narcotics agreements. The Venezuelan Government effectively suspended cooperation to reduce illicit cultivation, interdiction, law enforcement cooperation, extraditing drug traffickers, and taking legal steps and law enforcement measures to prevent and punish public corruption that facilitates drug trafficking or impedes prosecution of drug-related crimes. We have received reports from investigations of smuggling activity that led to the arrests of Venezuelan authorities, and this is especially troubling.

In order to balance our security and commercial interests in the Andean region, many of us believe it is essential to consider the important role that licit industries in these countries have played in supporting U.S. policy goals. The promotion of sustainable licit substitute crops can be an engine of economic growth for rural development and to communities ravaged by violence. There is a link between lawlessness, drugs and poverty in Latin America. The Administration has shown a serious commitment to tackle these problems. Our security policies and our commercial policies require constant inter-agency coordination. If we are trying to promote alternative crop development for coca growers, by all means we should be offering viable commercial incentives as well.

I also support multilateral initiatives like the OAS's Inter-American Commission Against Drug Abuse (CICAD) which is conducting multilateral evaluations and offering recommendations to the 34 OAS member countries, including the U.S., on how to strengthen and better coordinate counter-narcotics programs. We need a comprehensive regional strategy to go after the links between drug trafficking, money laundering, terrorist financing and illicit arms trafficking.

Drug traffickers are constantly on the lookout for weaknesses in the firewalls that we build in cooperation with countries in the region. The international community must not disengage or ease back in the drug war. Multi-ton seizures of cocaine were once rare in Europe, but they are increasing in number and yield. European criminal organizations and terrorist groups are trafficking in drugs from the Andes to

Spain and the rest of Europe. Later this year we will be looking closely at European contributions to the Latin America Drug War.

I look forward to continued vigilance in the months and years ahead, to better coordination, and to working together to reinforce the progress we have made. I now recognize the distinguished ranking member from New York, Eliot Engel, for any statement he may wish to make.

Mr. ENGEL. Well, thank you very much, Mr. Chairman, colleagues, and friends. Before I turn to the topic of counternarcotics, I want to first of all note that today marks my second Western Hemisphere Subcommittee hearing, though my first one with you, Mr. Chairman, and I am glad that you are resting that voice and feeling a little bit better, although I hear that you have a little ways to go.

As I shared the last time, I am honored to join you as the new Ranking Member, and I especially look forward to working with you on our Subcommittee. I have heard wonderful things about how you run the Subcommittee, and have already appreciated our collaborative efforts relating to the region.

I also look forward to working on a bipartisan basis with all of my Subcommittee colleagues to raise the Western Hemisphere's profile, and help ensure that its numerous pressing issues receive appropriate attention.

I note that Congresswoman Ros-Lehtinen is here, and with whom I have collaborated on many different things on this Committee. Also Congressman Delahunt, who probably is one of the most knowledgeable people in this Congress about the Western Hemisphere. I look forward to working with all of you on this Subcommittee.

Moving on to the issue before us, Mr. Chairman, I think it is most appropriate that you have called this Subcommittee hearing on counternarcotics strategies in Latin America.

This is a vitally important topic that affects us all. The trafficking of illegal drugs and its accompanying criminal activity are obviously serious threats that simultaneously target both our external and internal interests.

Throughout the United States, we can see narcotrafficking's corrosive society impact in the eyes of our drug-addicted children, in the streets of crime in neighborhoods, in the families destroyed by drugs, in the schools, and in the work force.

I see such harm in my district as you see it in yours, and as we all see it in our districts. The list goes on. Last week's Department of Justice indictment of 40 leaders of the FARC on charges of importing more than \$25-billion worth of cocaine into the United States and other countries is both a law enforcement achievement and a wake-up call to the dangers that we face from the region.

If drugs can have such a devastating and wide ranging effect on the United States, imagine the impact on fragile democracies with struggling economies. Illegal drug trafficking generates billions of dollars that finance black market arms traffickers, fueling violence, and socially destabilizing criminal activity throughout most of the Western Hemisphere.

The United States faces not only a threat from the illicit drugs on our streets, but also from the increasing instability brought on by insurgent guerrilla organizations that are fueled by the drug trade.

I cannot think of one issue that is more important to the stability of our region than this. It ties in with all the things that we are concerned about, terrorism and what not.

It is in our interest to be surrounded by stable democracies, with strong economies, not governments penetrated by the corrupting influence of drug money. The United States continues its two-pronged approach to this issue, first tapping the United States domestic problem of illicit drug consumption; and second, fashioning an effective United States plan to address the flow from source countries.

In this latter regard, few can deny that there is a narcotics crisis in the hemisphere, but since we have been at this for some time, we must ask what progress have we made, and at what costs, and where do we go from here.

This hearing is an opportunity for us to address questions of eradication, alternative development, counter drug bastions, human rights, the environment, and governance in a region undergoing much political and social transition.

Some of the issues affected by the drug crisis include democratic institution building, judiciary sector reform, and social welfare. These fundamentally, interconnected issues are at the heart of the matter, and we ignore them at our own peril.

America has good friends in many countries to our south, and we should continue to work with them to find strategies to reduce the source of the illegal drug trade. Let me close, Mr. Chairman, by stating that I am dubious that our efforts on the supply side of the narcotics trade alone can eliminate the cash incentive from the drug trade over the long term.

According to the DEA, the United States has 25 million drug users within its borders. We just do more to drive down demand at home through drug prevention, treatment, and education. If we reduce demand, narcotics growers, traffickers, and dealers, will increasingly be driven out of the business by economics alone.

On the supply side, I note that many of my colleagues, myself included, are concerned about our efforts to work seriously at sustainable development issues within the hemisphere.

Over 40 percent of the people in the Western Hemisphere live below the poverty level. However, I am dismayed to note that the President's fiscal year 2007 budget request slashes core developmental assistance, namely child survival and health funds, as well as development assistance by 22 percent from fiscal year 2005.

Twenty-two percent is a large amount, and it is simply unconscionable, inexcusable, and undermines our efforts to roll back the drug trade. I know that Mr. Burton expressed some of his dismay at the fact of the budget and the Administration for not putting forth the money to do the things that we know need to be done.

If you want to diminish coca growing, and if you want to reduce illegal immigration, if you want to lessen the spread of diseases, if you want to preserve bio-diversity, we must do something more than simply trade with our neighbors to the south.

Sustainable development is also very important, and I hope that we will focus on cooperative efforts to encourage coca farmers to take up other crops as we also seek to ensure that interdiction, eradication, and other ways of curtailing the supply are pursued.

I thank you, Mr. Chairman, and I look forward to working with you on this important matter, and during the testimony today, and as I mentioned before, I look forward to working with you very closely on a number of matters.

We have been good friends in my 18 years in Congress, and I look forward to continuing and enhancing that relationship. Thank you.

Mr. BURTON. Thank you, Mr. Engel. It has been 18 years?

Mr. ENGEL. It is hard to believe isn't it?

Mr. BURTON. We look so young.

Mr. ENGEL. We are young.

Mr. BURTON. Let us see. Oh, our good friend, Ileana Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman, for holding this important and timely hearing on the United States counternarcotics strategies in Latin America, and for your ongoing leadership on this issue.

This issue as we have heard is particularly important to our Chairman, Mr. Hyde, and we value his contribution on this issue. Given the strategic location of my congressional district of South Florida, seen by many as the gateway to the Americas, this issue is of great personal and local concern to my constituents.

According to the State Department's 2006 international narcotics control strategy, 14 of the 20 major drug producing, or drug transit countries, are located in Latin America or in the Caribbean.

In our own hemisphere, United States counternarcotics programs represent a vital front on the war on terrorism. In countries such as Colombia, the source of 90 percent of all cocaine entering into the United States, there is a clear connection between the drug trade and the financing of foreign terrorists organizations, such as the Revolutionary Armed Forces of Colombia, or FARC.

United States-backed counternarcotics efforts are necessary to cut off this critical source of funding for violent narcotrafficking and terrorist organizations. Along with the support of terrorism, illegal narcotics undermine the stability and the rule of law throughout the region.

The drug trade spreads corruption and money laundering. It erodes the institutional capacity of Latin America's relatively new and fragile democracies. The United States counternarcotics programs in the region are therefore crucial in helping our partners and our friends eradicate the cultivation of illegal narcotics, build law enforcement infrastructure, prosecute traffickers, and seize their assets. I thank the Chairman for his ongoing leadership on this issue, and I look forward to the testimony of the witnesses today. Thank you, Mr. Chairman.

Mr. BURTON. Thank you, Ms. Ros-Lehtinen. Mr. Delahunt, the silver fox from Massachusetts.

Mr. DELAHUNT. I will be very brief, Mr. Chairman. Thank you. I want to associate myself with the remarks of Mr. Engel. It clearly reflects, I think, a sensible approach, a balanced approach, and one that I am confident that we all embrace.

I also agree with you, Mr. Burton. As you know, I supported your amendment to increase funding for specifically maritime interdic-

tion. I think the issue that we have got to address, however, is that we have been supporting Plan Colombia.

You know that I have supported that early on, and was involved in the negotiations over Plan Colombia, but at some point in time this has to be assumed by the Colombian Government.

I say this in a very positive way: Under the leadership of President Uribe, their economy is doing pretty well. More of the burden should be assumed by the Colombian Government if we are looking for that particular balance.

So, I agree with you in terms of assets if we are to continue to sustain this effort, and the results apparently are trending well, but that is Colombia. We do have issues surrounding the so-called "balloon effect" in other Andean nations, but again, the American taxpayers have stood up here, and they have stood tall to support Colombia.

Again, their economy has improved considerably in the past 5 years. I guess I would pose a question to Secretary Patterson, in terms of how the Government of Colombia rates in terms of enforcement of its tax laws.

Tax compliance is a problem that I have, in terms of Latin American nations, where they don't, as a group, seem to do as well as the United States in terms of insisting full compliance in securing the tax revenue that is necessary. With that, I yield back.

Mr. BURTON. Thank you very much, Mr. Delahunt. I appreciate that. Mr. Mack, before I introduce you, I want to thank you very much. I had a very bad illness, a cold, which had me in bed for about 10 days, which is unusual, and you took over and conducted the energy hearing for me, and I want to thank you publicly. I hear you did a great job.

Mr. MACK OF FLORIDA. Thank you, Mr. Chairman.

Mr. BURTON. With that, Mr. Mack, you are recognized.

Mr. MACK OF FLORIDA. Thank you, and I will be brief as well. Thank you for holding this hearing today, and I want to thank the panel in advance for being here to talk about this important issue.

The United States, through Plan Colombia, and foreign aid, has made a lot of progress. Yet, there is still a lot of work to be done. The work is not only in Colombia, it is in all of Latin America, and it is no secret that I have been a critic of President Hugo Chavez, and believe that he is a destabilizing factor in our hemisphere and in the world.

He is someone that cuts across what people in America are looking for, which is freedom. He is someone, whether it is through the increased trafficking of narcotics, purchasing of military weapons, or just completely taking the hopes and dreams—my belief of the hopes, and dreams, and aspirations of the people of that country away from the ideals of freedom and democracy, and toward a dictatorship.

I am very concerned about Hugo Chavez, and what his influence in the region will ultimately mean to us here in the United States. So with that, Mr. Chairman, I thank you for holding this hearing.

I look forward to hearing from the panel, and I also look forward to working with you in making sure that we can handle the issues that we have in our back yard so that Americans can feel more secure in their homes. Thank you.

Mr. BURTON. Thank you, Mr. Mack. Mr. Payne.

Mr. PAYNE. Thank you very much, and I will be very brief, too. I am glad that you are well and back in the saddle again. However, there were others who wish you were still out. That is private, too.

Mr. BURTON. Mr. Payne, is this because of the garage in your district that we saw?

Mr. PAYNE. No, as we have discussed before. But let me just say that it is a very timely hearing. I associate myself with the remarks by the Ranking Member, Mr. Engel, and certainly have seen the fact that there has been record amounts of spraying, and seizures, and so forth.

However, it seems that there is only minimal evidence that we have a reduction in the availability. I know that it is a tough battle, but we need to evaluate the effectiveness of the program.

I also would just like to mention briefly that as we all know, a tremendous amount of financial support goes to the military, and there is some question about the behavior of the military in other areas.

We have seen IMET funds, and for example, in Ethiopia, the Chairman of that Subcommittee is talking about withholding funds for IMET in Ethiopia, where Ethiopia has the largest number of peacekeepers in the world because there is some question about some human rights abuses, which should not occur anywhere.

We need to have parity in some of our policies as it relates to our support for the military, but we must hold them accountable. Finally, the spraying, and certainly this round up spray, this chemical is having a negative impact on the environment, on people, and on livestock, and we need to be careful that we are not throwing out the baby with the bath water, attempting to eliminate the coca growth, but we are also impacting on the health.

Many people in the area are Afro-Cubans, and so the Colombians are Afro-Colombians, and the fact that the people who are treated the worst with the government, with the military, and then when this program of spraying also impacts on these Afro-Colombians, it is something that I think that we need to really evaluate. So once again, Mr. Chairman, I certainly commend you for calling this very important hearing.

Mr. BURTON. Thank you, Mr. Payne. My good friend, Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman, and I, too, would like to associate myself with the comments made by my good friend, the gentleman from New Jersey, and your leadership in not only calling this hearing this morning, but the fact that you certainly have a firm commitment in looking through what should be our policies toward this important region of the world.

I make no apologies for making this statement, Mr. Chairman. It seems that Latin America has always been our neglected neighbor if you will, and the problem is not whether it is a Republican or Democratic Administration. This has been the course that we have had for all these years.

Latin America always seems to be the sick child that never seems to really—we have really never seriously made an honest effort in being not only as a good neighbor, but we seem to spend more time and more worries about the drug trafficking issues that

come out of this region of the world than trying to develop serious economic trade relationships.

The fact that there is some 400 to 500 million people living in that region of the world, and we never seem to consistently pursue a more positive policy in how we could really help our neighbors in the south.

So this very issue itself, counternarcotics, and now that we have a new trend, if you will, of the kind of leaders that are being duly elected by some of these countries in Latin America, as I have always earnestly tried to bring to the forefront, at least a little sense of visibility about the fact that the indigenous populations of these countries have always been—it is almost like reading a road map of what we have to deal with native American communities in our country.

I think we really seriously need to look at our counternarcotics policies that we have enunciated for all these years, and if there really have been positive results. I seriously would like to work closely with you, Mr. Chairman.

Also, I offer my personal welcome to our newly-elected Ranking Member of our Subcommittee on the Western Hemisphere, and with that, Mr. Chairman, I look forward to hearing from our witnesses this morning. Thank you.

Mr. BURTON. Thank you. Today on our first panel, we have two very distinguished people. Ann W. Patterson was sworn in as the Assistant Secretary of State for the Bureau of International Narcotics and Law Enforcement Affairs, INL, on November 28, 2005.

Recently, she served as deputy permanent representative, and then as acting permanent representative at the United States Mission to the United Nations from 2004 to 2005.

Ms. Patterson has had a distinguished career in the foreign service, including posts as Ambassador to Colombia from 2000 to 2003, and Ambassador to El Salvador from 1997 to 2000. It is good to have you with us, Ms. Patterson.

Special Agent Michael Braun is DEA Chief of Operations, and is responsible for leading the worldwide drug enforcement operations of the agency across the United States and in 58 countries.

He is one of the principal directors of national drug intelligence management and national drug strategy on our Nation's war on terrorism. We are pleased to have you with us again, Mr. Braun. Would you both rise so I can swear you in, please.

[Witnesses sworn.]

Mr. BURTON. We would like to get to as many questions as possible, and so if you can make your comments brief, we would appreciate it. We will try to be as tolerant as we can. Secretary Patterson, you are recognized.

TESTIMONY OF THE HONORABLE ANNE W. PATTERSON, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador PATTERSON. Thank you very much, Chairman Burton, Congressman Engel, and other distinguished Members of this Subcommittee. Thank you for the invitation to appear before you today.

This is a timely opportunity to review the progress being made in the Americas to combat illicit drug production and trafficking. My written testimony includes a regional overview, but I would like to focus on some of the successes that we have achieved and challenges that we face today.

Returning to these issues after some years away, I was struck by the maturing of inter-American cooperation in the western hemisphere, not just against drug trafficking, but also against transnational crime.

Nowhere has progress been more pronounced than in Colombia. Under the leadership of Presidents Pastrana and Uribe, Plan Colombia has been a dramatic success. In 2005, Colombia destroyed 170,000 hectares of illegal coca, and helped to cease 223 tons of cocaine.

ONDCP recently announced that these efforts may have led to an increase in United States street prices and a reduction in purity. Plan Colombia has also achieved results that we did not fully anticipate. Today, all 1,098 of Colombia's municipalities have a police presence. Kidnappings are down by half, and homicides are down by 13 percent.

In 2005, Colombia extradited a record 134 fugitives to the United States, including FARC leaders and high level drug traffickers. Still, major challenges remain.

Narcotraffickers aggressively replanted nearly as much coca as was destroyed in last year's record setting aerial eradication campaign. We are evaluating now how to counter this replanting, including stepped up aerial spraying. In Colombia, much of the coca is grown in remote, inaccessible areas, where the FARC and other illegal armed groups are mostly free to operate.

Success in eradication and interdiction depend on air mobility. INL is supporting Colombia with over 140 aircraft, plus assistance in training. INL's critical flight safety programs seek to upgrade and maintain many of these aging assets to enhance pilot and crew safety, extend the aircraft's operational life, and to reduce long term maintenance costs by making them commercially supportable.

While our long term goal is to nationalize the helicopter program, we must do so at a pace that Colombia is able to sustain in order to protect the huge investments that we have made to ensure flight safety and to keep the programs focused on eradication and interdiction missions.

I recently visited Joint Interagency Task Force South, JITFS, and discussed maritime interdiction with Rear Admiral Jeff Hathaway. The decline in availability of maritime patrol aircraft reduced our ability to detect, monitor, and target go-fast boats leaving Colombia.

Nonetheless, JIAFT-South coordinated a record seizure of 254 tons of cocaine in 2005 due in large part to markedly improved operational intelligence from such sources as Operation Panama Express.

We and our allies are looking for ways to overcome this problem. For example, we are working on an initiative to use average denial aircraft for air and maritime detection, and monitoring along Colombia's Pacific and Caribbean coasts. We will be consulting with your Committee soon on this concept.

Peru and Bolivia remain the second and third largest producers of coca.

Mr. BURTON. Excuse me just one moment.

[Pause.]

Mr. BURTON. I couldn't listen to two women at one time. Excuse me. Pardon me, Secretary, that was not meant to be disingenuous. I apologize.

Ambassador PATTERSON. Let me just back up and say that we are going to be consulting with your Committee soon on a concept to use average denial aircraft currently in Colombia for maritime patrol.

Peru and Bolivia remain the second and third largest producers of coca, and we saw increases in cultivation there in 2005. In Peru, the policies of the government, to be elected on April 9, will obviously have a significant bearing on the counternarcotics effort.

Our relationship with the Morales Administration in Bolivia will depend upon the policies it adopts on a wide range of issues, with counternarcotics a key component. Mexico is one of our most critical partners.

Some 90 percent of United States bound cocaine shipments transit the Central America-Mexico corridor, and Mexico remains a major drug producing country and base of operations for trafficking groups.

We are also concerned about the production and trafficking of methamphetamine and its precursor chemicals. I traveled to Mexico City earlier this month to learn more about what Mexican and United States personnel are doing to confront the methamphetamine problem.

I was pleased to see that the concrete progress that Mexico has made in a short time to curb precursor imports. At last week's binational commission, Mexican and United States officials agreed that methamphetamine is a top law enforcement priority.

Central America is a region of particular concern. The expansion of gangs has been devastating there, and has emerged as one of the serious problems in many communities across the United States.

I.N.L. is working closely with other agencies and with partner nations to promote a balanced, multidisciplinary approach to the problem. We intend to include anti-gang and cultural lawfulness training in our international law enforcement academy in El Salvador as part of our regional anti-gang strategy.

On drug interdiction, the Central American governments are committed partners, but they lack capacity and resources. Improving interdiction capacity in the region will be difficult due to the high cost of helicopter assets, and the increasingly competitive budgetary environment that we face.

I look forward to working with other United States agencies and Congress to address this issue. In conclusion, progress is being made in the western hemisphere, but there is a long way to go. The important partnerships that we have forged have kept hundreds of tons of cocaine and heroin off our streets.

United States law enforcement now has more professional and better equipped partners in many countries. I am optimistic that with the continued strong support of Congress that we will be able

to build on these successes and overcome the challenges that lie before us. Thank you.

[The prepared statement of Ms. Patterson follows:]

PREPARED STATEMENT OF THE HONORABLE ANNE W. PATTERSON, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you, Mr. Chairman, Mr. Engel, and distinguished Members of the Subcommittee. The Department of State welcomes this hearing as a timely opportunity to review the significant progress being made in the Americas to combat illicit drug production and trafficking, as well as to discuss the challenges and opportunities before us.

INCSR

On March 1, the Department of State released the 23rd annual *International Narcotics Control Strategy Report (INCSR)*, a global report on international efforts to curb cultivation, production, trafficking and abuse of illicit drugs. While it is drafted and coordinated by the Department of State, it is reviewed by the entire USG law enforcement community—including the Departments of Justice, Homeland Security and Treasury, as well as a DEA, the Coast Guard and ONDCP. The companion Money Laundering Report is, in fact, drafted by an interagency group of experts. The assessments and recommendations reflect interagency consensus.

While there are many acute concerns and daunting challenges in the Western Hemisphere, it is helpful to begin by stepping back and comparing where we are now compared with a decade ago. Returning to the counternarcotics world after some years away, I am struck by the overall progress that has been made in this hemisphere—not just by individual countries, but by countries working together. Report after report in the INCSR provides evidence of maturing policies, modernizing institutions, and stronger cross-border, sub-regional and international cooperation. Countries are seizing more drugs, extraditing more fugitives, participating in more cross-border operations, and rooting out and punishing corruption. Many are making broad-sweeping changes to their legal systems to better confront modern forms of organized crime—and seeking to harmonize their legislation with neighboring states to prevent criminals from simply shifting from tougher to weaker jurisdictions.

When the first INCSR was published, Latin American narcotics-producing countries were just reporting the first signs of drug abuse in their own countries, while the United States was in a full-blown crack epidemic. Today, U.S. cocaine consumption has leveled off and casual use is down substantially while drug abuse is growing in throughout the hemisphere. The inter-American dialogue on drugs has changed accordingly, with less finger pointing and a greater sense of shared responsibility and cooperation.

This didn't happen overnight—nor by happenstance. It was the result of long-term U.S. foreign policy and foreign assistance efforts to promote democracy and to strengthen democratic institutions—including the justice sector and law enforcement. It was the result of sustained encouragement and support by the U.S. Government—including the leverage exerted by the U.S. narcotics certification process—as well as multilateral engagement through the Organization of American States and the Summit of the Americas. It was also the result of the explosion of the myth in other countries that drug abuse was an American problem, not theirs.

The international community also recognizes the links of the drug trade to money laundering, terrorist financing and organized crime and has been working together to confront the many challenges. The United States plays an important leadership role, but is no longer alone in pressing for effective action. Mexico and Colombia are staunch allies—multilaterally as well as bilaterally. Costa Rica emerged as a leader in promoting the development of a Caribbean regional maritime agreement. El Salvador stepped forward to host the new International Law Enforcement Academy for the Americas. Nicaragua has advanced the cause of combating weapons trafficking.

All around the Americas, countries are taking a fresh look at what it costs to cling to old sovereignty sensibilities when there are real and menacing threats to be faced, and many are opting for creative ways to work with their neighbors. The Central Americans are working together to strengthen regional security. El Salvador and Guatemala mount joint patrols along their border—as the U.S. now does with Canada. The countries of the Eastern Caribbean were pioneers in this kind of collaboration through the Regional Security System (RSS). The U.S., Mexico and Canada have launched the Security and Prosperity Partnership (SPP), which seeks,

among other goals, to develop a North American security perimeter. The Organization of American States' drug commission (CICAD) is mobilizing regional and sub-regional cooperation across the full range of anti-drug efforts, from demand reduction to chemical control.

All understand that only through common cause will we be able to contain and diminish the threats of drugs and organized crime, which are impediments to political and economic freedom and prosperity.

The Bureau for International Narcotics and Law Enforcement Affairs (INL) has been at the forefront of these diplomatic efforts and reform efforts—with the invaluable partnership of DEA and other agencies and the sustained generous support of the U.S. Congress. INL has brought problems to light through the INCSR report, used diplomatic engagement to build the will of partner nations to make needed reforms, and then provided them with the technical and material assistance they need to be more effective.

Let me highlight just a few of the important developments included in this year's INCSR:

- The seven ACI countries made good progress in interdicting drugs and eradicating opium poppy cultivation.
- Andean countries, Central American states and Mexico reported seizing 365 metric tons of cocaine worth tens of billions of dollars on the street.
- Mexican authorities, employing INL-provided screening equipment at several airports, uncovered over \$40 million in currency hidden in cargo bound for Colombia.
- In the Western Hemisphere, U.S. and international support assisted Colombia in aerially eradicating 139,000 hectares and manually eradicating another 31,000 hectares of illegal coca.
- Peru manually eradicated twelve thousand hectares of coca and seized eleven tons of drugs.
- Mexico eradicated over 20,000 hectares of opium poppy and over 30,000 hectares of marijuana, and seized 30 tons of cocaine, over 1,700 tons of marijuana and nearly a ton of methamphetamine.
- In 2005, Colombia extradited 134 people to face charges in the U.S.—an all-time high. Mexico extradited a record 41 fugitives and expelled or deported 146 additional fugitives.
- U.S. and Canadian law enforcement have worked closely to attack and dismantle cross-border trafficking organizations, including a large criminal ring engaged in trafficking and producing ecstasy.
- Mexico moved to restrict the importation of methamphetamine precursors, notably pseudoephedrine, and tightened internal controls to prevent their diversion to illicit drug manufacturing.

Budget Issues

In our Fiscal Year 2007 budget proposal, pressing demands elsewhere in the world—notably Afghanistan—have forced us to make difficult choices. There are cuts in bilateral anti-drug aid to many Latin American countries, although we realize there are real needs, particularly in the Transit Zone programs in Central America and the Caribbean.

COLOMBIA

Nowhere has progress been more pronounced than in Colombia.

In 2000, U.S. and Colombian officials developed a joint, highly-focused and aggressive strategy to target illicit drug production and trafficking. During that first year, while we were building up the infrastructure for "Plan Colombia," coca cultivation reached an all-time high, and only 47,000 hectares of coca were eradicated. In 2005, the U.S.-supported Anti-Narcotics Police Directorate (DIRAN) sprayed a record 138,775 hectares of coca during the year and 1,624 hectares of poppy. The Government of Colombia reported that manual eradication accounted for the destruction of an additional 31,285 hectares of coca and 497 hectares of poppy. This stopped a potential of billions of dollars of cocaine from reaching U.S. streets. In addition, Colombian forces helped interdict 223 metric tons of cocaine and cocaine base. Recent preliminary analysis indicates that these efforts may have led to an increase in the U.S. street price of cocaine and heroin and a reduction in purity for both.

Under the leadership of Presidents Pastrana and Uribe, "Plan Colombia" has been a success—more than I expected when I was sent there as Ambassador in 2000. It has benefited Colombia in ways we did not anticipate, such as in establishing secu-

rity in the countryside and contributing to a renewed self-confidence in the country that is evident in many areas. Public safety has improved. Today, for the first time in the country's history, all 1098 of Colombia's municipalities have a permanent government presence. Colombia's ongoing transition from an inquisitorial to an accusatorial criminal justice system with oral trials is well underway and in those districts where the transition has already occurred, the new system has proved to be enormously more efficient and effective and has gained the confidence of the public at large. Kidnappings are down 51 percent and homicides 13 percent, and the World Bank considers Colombia an attractive investment climate with legitimate economic development that is replacing illicit drug production. Who would have thought that possible even a few years ago?

Another measure of progress is the extradition to the U.S. of organized crime leaders. Extradition is one of the legal tools most feared by drug traffickers. Major drug traffickers extradited to the U.S. last year included FARC leaders and Cali Cartel leader Miguel Rodriguez Orejuela. In 2005, a record 134 people were extradited from Colombia to the U.S.

Still, the United States and Colombia understand that major challenges remain. Narcotraffickers have undertaken to more aggressively replant coca that was destroyed in last year's record-setting aerial eradication campaign.

The U.S. and Colombia are evaluating tactics to counter this rapid replanting, including stepping up the aerial spray program. We are also helping to build Colombian capacity to take over the program in the future.

Narcotraffickers continue to shift routes and methods to avoid detection and interception, and—while our detection and monitoring capacity has improved—there are simply not enough USG or host nation assets available to respond to all of the actionable targets.

Success in both interdiction and eradication rely on air mobility—the support of safe and dependable helicopters. Colombia is approximately the size of California and Texas combined, with an almost Texas-sized area lacking passable roads for much of the year. This remote area is where much of the coca is grown, and where the FARC and other illegal armed groups are most free to operate. Helicopter support is thus essential to enable the Government of Colombia—and especially the Colombian Army and National Police—to effectively confront drug cultivation and counter illegal armed groups.

Helicopters, however, are very expensive assets to operate and maintain and require investments in lengthy aviator and maintenance personnel training. Although the Colombia Army has its own UH-60 Black Hawk fleet, INL is supporting it with over 70 USG-owned and supported helicopters. We are also providing technical assistance and training in conjunction with the Defense Department. Each year there is a marked improvement in the quality and number of Colombian helicopter pilots, mechanics, and support personnel. While the U.S. is working to “Colombianize” the helicopter program, we must do it at a pace that the Colombian government is able to assimilate, protect the large investments we have made, ensure flight safety, and keep the program's focus on the highest priority missions—interdiction and eradication.

Upgrading aircraft under INL's Critical Flight Safety Program (CFSP) is another essential element for continued effective aviation support of Colombian counter-narcotics activities. Many of the aircraft within the INL Air Wing fleet are excess defense articles that are no included in the Department of Defense's support system. A great number are over 40 years old, with airframes reaching the limits of their useful lifetimes and have not received major depot level maintenance. In many cases, aircraft have been grounded due to evidence of severe structural weakness. INL has planned and requested funds for the CFSP to repair, upgrade, sustain and replace aircraft needed for eradication, interdiction and counterterrorism programs. Over 60% of the FY 2006 funding will go to support our fleet in Colombia, with the remainder benefiting other Latin American programs. CFSP funding is essential for eliminating the safety and mission availability risks for these critical aviation assets.

The State Department coordinates the Colombian Airbridge Denial (ABD) Program. Since it was reinitiated in 2003, Colombia has established air sovereignty throughout the majority of its territory. This has led since 2004 to a 56 percent decrease in suspect trafficker flights, a 75 percent increase in law enforcement ground endgames, and a reduction in the total drug flow by air to the United States to seven percent or less. The program has forced traffickers to change their smuggling tactics by flying shorter distances. The number of air events and air intercepts have decreased significantly, and we are now largely in a deterrence mode.

More than 93 percent of cocaine destined for the United States is smuggled by maritime transport. Our interagency interdiction community has been striving to

get additional Maritime Patrol Aircraft (MPA) assets for the last two years. Joint Interagency Task Force-South (JIATF-South) coordinated the seizure of a record 254 MT of cocaine in 2005 despite the shortage in assets—both MPA and surface vessels. Even with excellent operational intelligence from such sources as Operation Panama Express, the lack of MPAs limits our ability to detect, monitor and target go-fast boats leaving Colombia.

Mitigating strategies include continued outreach to our allies, who continue to show strong support for the counter-drug mission. This year the Government of the Netherlands will be contracting with a private firm for two maritime surveillance aircraft to operate out of Curacao. These will fall under JIATF-South tactical control and provide much needed MPA support in the Caribbean. Likewise, DOD and Coast Guard are working to add additional aircraft to the effort. We understand that the FY 2006 Coast Guard budget includes additional funding for C-130 flight hours, which will also help close the MPA gap. Colombia and Central American countries have few, if any, MPAs or interdiction vessels. It would take a long time and significant new resources for these countries to develop this type of maritime interdiction capability.

We are also working on an initiative to use Airbridge Denial aircraft for both air and maritime detection and monitoring in the littoral waters off the Colombia's Pacific and Caribbean coasts. Ambassador Wood and I are exploring ways to get even a better return on our successful ABD program investment while increasing the effectiveness of our bilateral interdiction program. We hope to implement this initiative immediately since the assets are already in place.

In addition, we have now arrived at a point in this process where we are turning greater attention to the democracy programs, the so-called "soft side" of our support. We need to be able to meet that commitment in order to ensure that Colombia will indeed be the free-standing, able partner that we envision for the future.

OTHER ANDEAN COUNTRIES

Peru and Bolivia remain the second and third largest producers of coca. In 2005, both governments faced growing resistance from drug-cultivating farmers, which slowed eradication efforts and contributed to an increase in estimated coca cultivations.

In Peru, the most recent USG survey detected increased coca cultivation, some of it in areas not surveyed before. Farmers were encouraged by high prices for coca leaf and temporary constraints on eradication. The government has now dedicated more resources than ever to eradication and goals were surpassed, but it will take time to wipe out the increase. The policies of the new government to be elected this April will obviously have significant bearing on the future of Peru's counternarcotics effort.

The new recently-elected Morales Administration in Bolivia has displayed a lack-luster commitment to coca reduction. Our relationship with the new government will depend upon the policies it adopts on a wide range of issues, with counternarcotics a key component of our bilateral relationship. The U.S. will continue to try to maintain good relations with the Bolivian government and help it to sustain the enormous progress made there in the past ten years.

We want to work closely with President Morales. Our Ambassador and Mr. Shannon, the Assistant Secretary for Western Hemisphere, have met with him a number of times. Secretary Rice met with him at the recent inauguration of President Bachelet in Chile. I will be traveling to Bolivia next month as well to urge Bolivian cooperation against drug trafficking. We hope to continue the productive partnership we have enjoyed with Bolivia.

While not major drug-producing countries, Ecuador and Venezuela play critical roles in drug trafficking because of their long, largely unguarded borders with Colombia. In Ecuador, cocaine seizures reached a record 45 metric tons 2005. But the government has allocated insufficient resources for its security forces to consistently and effectively thwart cross-border incursions by Colombian narco-terrorists, and refuses to condemn such groups, espousing neutrality in the Colombian conflict. Ecuador's security forces have conducted effective operations in the field given constraints on resources and capabilities. However, we are deeply concerned with the dramatic increase in the use of Ecuadorian-flagged vessels by drug trafficking organizations over the past 18 months. We are certain that this troubling phenomenon arises from the success of the maritime law enforcement agreement between Colombia and the United States. Because of the hundreds of seizures and U.S. prosecutions facilitated by this agreement, drug trafficking organizations are using Ecuador as a "safe haven" from U.S. prosecutions.

There appears to be a trafficking shift from air to overland transport of drugs into Venezuela, but we are still very concerned about flights into the country from Peru, Bolivia and Brazil, as well as flights to Hispaniola. The Venezuelan government's willingness to cooperate with its neighbors and with the U.S. is obviously critical to the regional strategy. However, as the INCSR report illustrates, Venezuela's counternarcotics performance over the past year has been, at best, mixed. The President decertified the Government of Venezuela in September 2005 because of what the USG viewed as its failure to cooperate on a range of counternarcotics issues and also because of threats against Drug Enforcement Administration personnel. With the recent surge in production in the region, Venezuela constitutes a hole in our counternarcotics strategy in Latin America. Given Venezuela's excellent record for cooperation in the past, we hope to see a return of that cooperative spirit in the coming year.

Southern Cone and Tri-Border: The Southern Cone remains vulnerable to exploitation as a transit zone for narcotics trafficking and other transnational crime. The Tri-Border Area, shared by Argentina, Brazil and Paraguay, in particular, has long served as a venue for illicit activity including drugs and arms smuggling and money laundering. These countries are used as transit routes for over a hundred metric tons of cocaine. INL is actively engaged in enhancing the capabilities of the law enforcement agencies in Argentina, Paraguay and Brazil to enable them to act more effectively against narcotics trafficking, other transborder crime and international terrorism. In Paraguay, we are creating a Trade Transparency Unit, modeled after the successful unit in Colombia. It will enhance greatly the capability of our countries to prevent and combat money laundering, terrorist financing, stem official corruption, and support economic development through enhanced revenue collection.

MEXICO

Combating drug trafficking from and through Mexico is an enormous challenge. In many ways, it is the principal counternarcotics challenge. Mexico is the principal transshipment route to the United States for South American drugs, a major source of heroin and the key supplier of methamphetamine. It is the principal placement point in the international financial system for proceeds of crime from the United States, and thus critical in terms of combating money laundering. Mexican-based trafficking groups are now the major foreign criminal threat we face here in the U.S. Beyond drugs, broader security interests and the recent surge in armed violence along the US-Mexico border are of gravest concern.

Against this sobering backdrop, there are ample reasons to be optimistic about what can be done. Ten years ago, there were many divisive issues between us and Mexico, not least of which were the apparent impunity enjoyed by the Mexican drug cartels and the Government of Mexico's refusal to extradite drug fugitives. Yet, in 2005, Mexican forces took forceful action against a number of the drug cartels—most of the leadership of the Arellano-Felix Organization, for example, is now behind bars. The Mexican government extradited 41 fugitives to the United States in 2005, including a number of Mexican nationals, and the Mexican Supreme Court reopened the way to extradition of fugitives facing the possibility of life imprisonment—which for several years was one of the principal legal barriers to the extradition of drug traffickers. We still await the extradition of a major drug trafficker, and we would like to see closer cooperation in some important areas such as maritime interdiction, but we recognize that the Fox Administration has done a great deal to make that more possible in the future. Mexico has come a long way in recent years on many critical issues.

During my trip to Mexico City earlier this month, I met with senior Mexican officials on a whole range of issues—but focused on the emerging threats, such as methamphetamine production and trafficking. I was pleased to see how much the Government of Mexico has done in a relatively short time to curb the importation of precursor chemicals. Mexican authorities have dramatically reduced the legal imports of pseudoephedrine and ephedrine during the past two years—by over 40 percent—after determining that imports exceeded needs for medicines containing such ingredients. The National Commission Against Sanitary Risks (COFEPRIS) cancelled many import permits and revoked import licenses, including the licenses of the seven largest distributors. It now requires importers to transport such substances in escorted armed vehicles. As a result of these changes, however, we anticipate that traffickers will attempt to circumvent the controls. Methamphetamine trafficking and production figured prominently in last week's Binational Commission meeting here in Washington, with both governments pledging to intensify action against this threat.

Institutional development and reform in Mexican federal law enforcement have been far reaching, resulting in a higher level of professionalism and willingness to cooperate with the U.S. and other foreign partners. Because of the Fox Administration's own orientation toward reform and institutional modernization, INL's Mexico program is one of our most innovative. Traditional INL programs, like eradication, have been nationalized in Mexico for some years now, allowing INL resources to focus on capacity building activities, such as modernizing Mexico's federal police force, the Federal Investigations Agency (FBI equivalent). Our programs are very much tailored to facilitating effective partnerships between U.S. and Mexican counterpart agencies. We have also devoted considerable energy and resources in strengthening border security capacity in northern Mexico, complementing parallel work by the Department of Homeland Security on the U.S. side of the border, in support of the Border Partnership Accord.

There is a tremendous amount of work still to be done in Mexico. Reforms and professionalization efforts at the federal level have not been replicated in all key federal agencies or at the state and local level. A key objective must be to support law enforcement reform and modernization at the state and local levels, including effective anti-corruption reforms. INL's FY 2007 budget request includes programs focusing on state and local levels as well as continuing support for the Culture of Lawfulness program, which promotes rule of law at the school, community and government levels.

Mexican law enforcement and military actions have disrupted criminal organizations, as we have seen in the past two years against the Arellano Felix Organization based in Tijuana, but efforts must be sustained over time to dismantle them. New restrictions on the importation of key chemicals will help to make it harder for methamphetamine traffickers to obtain these precursors, but parallel measures must be taken to prevent diversion from legitimate sources or to preempt a shift to clandestine smuggling.

Another major challenge that defies easy solutions is border violence. This was a recurring theme in many of the Working Groups at last week's U.S./Mexico Binational Commission. Secretary Rice personally raised U.S. concerns about border violence at that meeting; this message was reinforced by Attorney General Gonzales and Homeland Security Secretary Chertoff. Both sides pledged to make this a top priority. INL, along with other USG agencies, will redouble programmatic and operational efforts to assist Mexico to improve public safety.

The Department of State is confident that—regardless of the outcome—the next Administration in Mexico will realize that it is clearly in Mexico's interests to cooperate with the U.S. on security and combating crime.

CENTRAL AMERICA

Central America is particularly vulnerable to drug transshipment and international organized crime. Approximately 90 percent of U.S.-bound South American cocaine and a large quantity of heroin transit the region as a whole, primarily over maritime trafficking routes. Their criminal justice systems are antiquated, inefficient and inadequately resourced. Corruption is a pervasive problem. The rise of highly-organized and violent criminal youth gangs is devastating Honduras, El Salvador and Guatemala—and governments have been struggling to find the best way to devote their limited resources to the problem. Sadly, U.S. attention in the region has ebbed and flowed, preventing us from being as effective a force for change and reform as we might have been.

The gang problem reaches beyond Central America and affects us directly in the United States as these groups expand their international networks. Enforcement-oriented "hard line" ("mano dura") approaches implemented in some governments have demonstrated that law enforcement alone is not enough. A balanced, multi-sector approach that addresses crime prevention, rehabilitation and social reintegration is clearly called for.

As we have looked at how to improve—or in some cases restore—interdiction capacity in the region, it is clear that the needs are so great that the rather modest funding currently available will have very little impact.

In Guatemala, for example, I sent a team down to look at what it would take to restore a modest five-helicopter mobility package. The estimated cost to do this was six times higher than INL's intended FY 2006 budget for Guatemala. With maritime smuggling the dominant trafficking method, we would also like to expand maritime interdiction capacity, but this cannot be done—or done right—in the present budget climate. I will continue to explore this idea, but will have to find less expensive alternatives.

Overland trafficking along the Pan-American Highway is also a threat. INL has assisted each country in strengthening its border inspection stations, particularly at key chokepoints and worked with DEA to establish Mobile Inspection and Enforcement Teams. Through the Cooperating Nation Information Exchange System, U.S. Southern Command provides data on suspect air and maritime movements to partner nation authorities to support their tracking and interdiction efforts.

Central American governments also wrestle with trafficking in firearms, alien smuggling, and money laundering. Many also face serious domestic criminal problems, including criminal youth gangs, while struggling with underlying poverty, devastating natural disasters, and pervasive corruption. We see genuine commitment at the presidential level in most of the countries in the region and will work to reinforce that commitment. INL programs seek to modernize criminal justice sector institutions, especially federal police and prosecutors and to enhance interdiction capacity. While only a small percentage of illicit drugs moves by air, we have provided some limited support to governments, such as Guatemala, to restore some of their diminishing air mobility.

INL funding for transit zone support is limited by budget constraints and competing priorities, such as Andean production. However, I am committed to finding ways to assist our excellent partner nations in the region. For example, by establishing the new International Law Enforcement Academy (ILEA) in El Salvador, the countries of Central America will benefit not only from training, but also from enhanced regional cooperation and information exchange.

THE CARIBBEAN

Countries in the Caribbean region are largely poor, developing nations with weak justice sector institutions which are ill equipped to combat sophisticated drug or crime cartels. Corruption is another common challenge. Our programs focus on capacity building, maritime and air interdiction, port security and money laundering. To address border security issues, we are funding a regional database that will gather data on movement of people throughout the region. Known as the Regional Information and Intelligence Sharing System (RIIS), the database will link the 24 countries and territories that are members of the Association of Caribbean Chiefs of Police. The database will also permit the vetting of arrivals and departures of passengers on cruise ships and airlines and will be linked to INTERPOL and other international watch lists. We expect the RIIS to become operational in the coming months.

MULTINATIONAL EFFORTS

In the Western Hemisphere, the Inter-American Drug Abuse Control Commission—known by its Spanish acronym “CICAD”—within the Organization of American States has promoted a common framework for anti-drug policies, laws, and cooperation. Through the Summit of the Americas process, CICAD was given a mandate to develop a hemispheric anti-drug strategy as well as a peer review system for assessing the efforts of each member of this anti-drug alliance. The resulting “Multilateral Evaluation Mechanism” (known as the “MEM”) provides each of the 34 governments with an evaluation of its counter-drug efforts and recommendations for improving them. The CICAD Executive Secretariat, using funding from INL and other donors, provides training and other technical assistance to governments to promote compliance with the MEM recommendations. This system, while not yet as hard-hitting as the United States and other countries would like, still provides an objective, technical review that clearly results in governments making needed changes. It requires governments to take a more systematic and clinical look at themselves, particularly their own drug consumption and production trends. It is a valuable complement to the unilateral U.S. certification process.

EMERGING THREATS

As we look to the future, INL will work to confront emerging problems or threats rapidly. Among the most pressing threats are synthetic drugs and youth gangs.

Synthetic drugs—Today, we are particularly concerned about synthetic drugs, such as methamphetamine and ecstasy, which present major medical, social and law enforcement challenges for the United States and the rest of the world. We are working at home and internationally, especially on border controls with Canada and Mexico, to ensure that laws and law enforcement can deal with illegal production, trafficking and diversion of precursor chemicals used to make these drugs. We must be vigilant in controlling precursor chemicals, especially ephedrine and pseudoephedrine, that are readily available and easily used to produce synthetic

drugs in small toxic labs. We are working closely with Canada, Mexico and producer/exporter countries to control the movement of these precursor chemicals.

Criminal youth gangs—Criminal youth gang activity has a devastating affect on both public safety and lives of young people drawn into gangs. According to the Department of Justice's 2006 national drug assessment, many street gangs have evolved into well-organized, profit-driven criminal enterprises that participate in the smuggling and sale of drugs. The largest of these, including *Mara Salvatrucha* and *18th Street gang*, are now recognized as full-blown international criminal organizations.

The Department of State is working closely with other countries, especially in Central America, to confront the social and security problems posed by youth gangs. It is a very complicated policy issue and cannot be solved strictly through law enforcement action. INL will encourage partner nations to take a comprehensive, integrated approach that includes crime prevention, social reintegration, and juvenile justice reform. While many of INL's gang-related project activities are subsumed in broader training or enforcement programs, I intend to give this area special attention in the coming year.

We recognize that such a complex issue requires the involvement of many sectors of society, not just governments. We are partnering, for example, with non-governmental and international organizations, such as the Washington Office on Latin America and the Organization of American States. They have organized seminars and workshops to bring governments, private groups and other stakeholders together to develop better approaches to the problem.

IMPACT OF U.S. EFFORTS ON THE UNITED STATES

ONDCP figures show that the use of illegal drugs by teenagers in the United States has dropped by nearly 20 percent since 2001. From 2003 to 2004, the purity of heroin in the U.S. decreased by 22 percent while the price rose by 30 percent. Since February of 2005, a similar, albeit preliminary, pattern has been seen with cocaine, although these drugs are still readily available. However, we believe overall demand has begun to stabilize.

I firmly believe that if the United States was not supporting counternarcotics programs in the Americas the situation here at home would be dramatically worse. Without a concerted effort to eliminate the drugs at their source, we would have rising addition rates because more drugs would be available at lower prices. The impact on the United States of the progress being made around the Hemisphere is, admittedly, less dramatic than what we are seeing in Colombia or even Mexico, but it is there. Unquestionably, the eradication and interdiction efforts of our partner nations have, with U.S. support, kept hundreds of tons of cocaine, heroin and marijuana out of our country.

In conclusion, we have a huge amount of work to do. It is both a "war" to be fought and won, and an ongoing effort to protect our country from foreign criminal threats. In my view, that is best done through strong partnerships, bilateral and multilateral. And, nowhere in the world do we have greater solidarity and shared sense of purpose and responsibility than right here in our own Hemisphere.

Thank you. And I would be happy to answer your questions.

Mr. BURTON. Thank you, Madam Secretary. We have one or two votes, and I would like to inform my colleagues that if we only have one vote, I have asked Mr. Weller to run over, vote, and come back so that we could continue on.

If you want to run and vote, and try to come back, that is fine. We will try to keep the hearing going so that we don't have all this testimony waiting. Mr. Braun, do you want to go forward?

TESTIMONY OF MR. MICHAEL A. BRAUN, CHIEF OF OPERATIONS, U.S. DRUG ENFORCEMENT ADMINISTRATION

Mr. BRAUN. Thank you. Chairman Burton, Ranking Member Engel, distinguished Members of the Subcommittee, on behalf of the Drug Enforcement Administration's administrator, Karen P. Tandy, I thank you for the opportunity to testify on the drug trafficking situation in Latin America, and DEA's bilateral operations.

As you know, Latin America is the source of all cocaine, most of the heroin, and significant amounts of marijuana consumed in the

United States. Bolivia, Colombia, and Peru remain the primary centers of production, with Colombia producing around 90 percent of the cocaine reaching the United States.

Non-existent 10 years ago, heroin produced in Colombia now supplies over 50 percent of the heroin market in the United States. Recent political developments in Venezuela and Bolivia create special challenges for the DEA.

In the past year, DEA Caracas has been in a precarious situation. Some reports in Venezuela portray DEA negatively, and entrusted counterparts were replaced with employees considered loyal to President Hugo Chavez.

Despite these handicaps, DEA manages to work within Venezuelan established parameters, and maintains a presence in the country. DEA has been working with the United States Department of State to create an agreement with the Government of Venezuela which will return DEA agents to their normal status.

The election of Evo Morales as Bolivia's President also poses new challenges. DEA continues to operate bilaterally with its Bolivian counterparts. However, the relationship with the Morales Administration is in its infancy and it is too early to predict what impact the change will have on DEA's operations.

Notwithstanding the political developments in Latin America, and the corrupting influence of drug trafficking organizations on Central American governments, DEA, along with other United States agencies and our host nation counterparts, are mounting an attack on all levels of the drug trade, denying safehaven, transportation routes, precursor chemicals, and drug proceeds to leaders of these organizations.

While DEA has evidence that some terrorist groups are involved in the drug trade, the trade continues to be dominated at all levels by traditional drug trafficking organizations.

The clearest connections between drug trafficking and terrorist organizations exists in Colombia. We continue to make great strides against FARC, the Revolutionary Armed Forces of Colombia, as exemplified by the recent Federal indictment naming 50 of the top level FARC leaders as defendants.

This action is the first indictment of an entire leadership of a foreign terrorist organization involved in narcotics distribution to the United States. On a separate integrated front, DEA, JIAFT-South, other Federal law enforcement agencies, working in concert with counterparts throughout Central America, Mexico, and South America, have implemented a drug flow prevention strategy.

Operations are conducted in Mexico, and Central, and Latin America transit zones, and consist of innovative, interconnected, multiagency operations designed to disrupt the flow of drugs, money, and chemicals.

Two other noteworthy programs are Operations Firewall and Operation Panama Express. These projects combine investigative and intelligence resources to interdict the flow of cocaine from the northern coast of Colombia, and have resulted in combined total seizures of 410.9 metric tons of cocaine as of December 31, 2005.

Successful interdiction operations are contingent upon cooperative agreements. No maritime agreements presently exist between the United States and the Governments of Ecuador, Venezuela,

Mexico, or Peru. Without such agreements, the United States cannot board any flagged vessels by these nations in their territorial waters.

And for boardings on international waters, these nations also can demand and do demand often that the crew, drugs, vessels, and evidence be returned for adjudication to their respective countries. Rest assured that the Colombian syndicates exploit this vulnerability.

We know that controlled chemicals are camouflaged and clandestinely imported into Colombia, and despite positive law enforcement initiatives in cooperation with Colombian counterparts, traffickers are able to obtain vast quantities of essential chemicals.

The policing of diverted raw products and precursor chemicals is challenging because of differing chemical laws in each country. To counter money laundering in Latin America, the DEA has established its bulk currency initiative, which provides financial interdiction and investigation training, and promotes information sharing.

The DEA provides assistance to its counterparts through inter-agency coordination and agreements to combat money laundering and terrorist financing. Of note, Arab drug trafficking organizations based in the tri-border area are using the region for cocaine smuggling operations to Brazil, Europe, and the Middle East.

There are reports of cocaine proceeds entering the coffers of Islamic radical groups, such as Hezbollah and Hamas. The profit margin for a kilogram of cocaine in European and Middle Eastern markets can be as high as \$144,000 per kilogram, giving an initial investment of less than \$6,000 in Latin America.

At the core of the DEA's efforts to identify, target, disrupt, and dismantle these groups will be our financial investigations. The longstanding bilateral law enforcement relationships in Latin America have proven to be key to the DEA's success.

Formalized agreements necessary for working relationships and non-politicalization of one of the world's most noble endeavors, the elimination of the illicit drug trade, will bring the United States and the nations of Latin America closer to this objective.

Chairman Burton, Ranking Member Engel, Members of the Subcommittee, I thank you again for the opportunity to testify and will be happy to address any questions.

[The prepared statement of Mr. Braun follows:]

PREPARED STATEMENT OF MR. MICHAEL A. BRAUN, CHIEF OF OPERATIONS, U.S.
DRUG ENFORCEMENT ADMINISTRATION

INTRODUCTION

Chairman Burton, Ranking Member Engel, and distinguished members of the subcommittee, on behalf of the Drug Enforcement Administration's (DEA) Administrator, Karen P. Tandy, I want to thank you for your continued support of the men and women of DEA, as well as for the opportunity to testify today on the drug trafficking situation in Latin America and DEA's bilateral operations and approach to disrupt and dismantle organizations responsible for the drug trade.

LATIN AMERICAN DRUG PRODUCTION THREAT ASSESSMENT

Seven of the 20 countries designated by the President as major drug transit or major illicit drug-producing nations are located in Latin America—Bolivia, Brazil, Colombia, Ecuador, Paraguay, Peru, and Venezuela. The strategic deployment of ap-

proximately 38 percent of DEA's foreign workforce to Latin America is testament to the important role the region plays in feeding America's appetite for drugs.

Latin America is the source of all cocaine, most of the heroin, and significant amounts of marijuana consumed in the United States. Bolivia, Colombia, and Peru remain the primary centers of cocaine production, although DEA remains concerned about the production potential of other countries in the region. Cocaine continues to be produced in Bolivia, Colombia, and Peru in vast quantities to supply the United States' and world's demand. Non-existent 10 years ago, heroin produced in Colombia now supplies over 50 percent of the United States' heroin market.

Bolivia

Bolivia's coca cultivation expanded from 24,600 hectares in 2004 to 26,500 hectares in 2005—an increase of 8 percent. That total hectareage equates to 70 metric tons of pure cocaine base that could be manufactured. Although a modest increase is noted, it represents the fourth year in a row of increased cultivation. More coca means that more cocaine can be produced. DEA's interdiction efforts directly complement USG support for Bolivian coca eradication operations in the Chapare region. Bolivia's primary counternarcotics challenge, however, remains the Yungas region. It is by far the largest coca growing area in Bolivia, with severe topography, and a long history of traditional coca cultivation and resistance to eradication. Alternative development activities in the area will be critical to strengthening local support for reduction of illegal coca; but even when combined with effective interdiction, cannot counter the long-term trend line in Yungas without the eradication component.

For several years we have observed Mexican drug traffickers purchasing Peruvian cocaine suggesting that Mexican drug syndicates are attempting to supplement their Colombian cocaine sources by expanding their contacts with the Peruvian traffickers. Likewise, some Mexican traffickers also have increased their presence in Bolivia and are exploring their options in the Bolivian cocaine market. Bolivia's persistent political unrest, systemic political corruption, nonexistent border controls, and lack of aerial radar coverage are all contributing strategic factors that magnify the drug threat from Bolivia.

Colombia

Colombia currently produces around 90 percent of the cocaine HCl reaching the United States, with an average purity of 84 percent at the wholesale level. While United States Government (USG) cocaine production estimates for 2005 in Colombia will not be available until early April, Colombia potentially produced 430 metric tons of pure cocaine in 2004—7 percent decline from the 460 metric tons of pure cocaine potentially produced in Colombia during 2003. Colombia's 2004 potential cocaine production represents approximately 67 percent of the world's potential cocaine production, which is a dramatic trend, considering Colombia only produced about 25 percent of the world's cocaine base as recently as 1995. Accordingly, Colombian traffickers have become less dependent on Peruvian or Bolivian cocaine base sources of supply. Through intelligence sharing, DEA supports the eradication efforts coordinated by the State Department throughout Latin America, and in particular Colombia, which are critical components to stamping out drug production in this region.

Not unexpectedly, Colombian drug trafficking organizations (DTOs) remain the dominant players in the international cocaine trade as they are increasingly more self-sufficient in cocaine base production, have a firm grip on Central American and Caribbean smuggling routes, and dominate the wholesale cocaine markets in the eastern United States and in Europe. Colombian opium poppy cultivation and heroin production have also increased significantly in recent years, and nearly all Colombian heroin is believed to be destined for the United States' drug market. Colombia is also a stable source of marijuana—with approximately 5,000 hectares cultivated annually. In recent years, Colombia has also become a major supplier of marijuana to the European market.

Peru

Peru was once the largest worldwide cultivator of illicit coca and producer of cocaine base. As a result of effective and sustained interdiction and eradication efforts, Peru is now a distant second to Colombia. For 2005, Peru's potential pure cocaine base production was estimated to be 165 metric tons—a 14 percent increase from 2004 production levels. Additionally, USG surveys indicate an increase of approximately 38 percent in cultivated hectares from 27,500 in 2004 to 38,000 in 2005. This increase includes approximately 4,000 hectares not assessed in 2004.

POLITICAL DEVELOPMENTS IN LATIN AMERICA

Recent political developments in Venezuela and Bolivia have created special challenges for DEA operations in Latin America. Venezuela serves as a major transit country for Colombian cocaine. While some cocaine is transported into the country via a variety of air, river, and land-based smuggling routes, the predominant shipping method relies upon vehicles to transport cocaine along traditional land routes. Primarily destined for markets in the United States and Europe, the cocaine leaves the country either by commercial sea freight, non-commercial ships (including “go-fast boats”), or airplanes.

In the past year, DEA in Caracas has been in a precarious situation. Some press reports in Venezuela portrayed DEA negatively, and trusted Venezuelan counterparts, who had good working relationships with DEA, were replaced with employees considered more loyal to President Hugo Chavez and who have a negative history with DEA. For example, President Chavez appointed General Morgado as the head of the Anti-Narcotics unit of the National Guard. Shortly thereafter, General Morgado disbanded the DEA Vetted Units manned by personnel from the Venezuelan National Guard and Cuerpo de Investigaciones, Criminalistas Penales y Cientificas (CICPC).

Despite these handicaps, DEA has managed to work within the parameters established by the Government of Venezuela and maintains a presence in the country. DEA has contributed intelligence information related to narcotics trafficking to numerous other DEA offices and in light of the restrictive environment, has still managed to retain a significant influence in investigating narcotics trafficking in this region.

DEA, through the U.S. State Department, is currently reviewing a previously established working agreement with the Government of Venezuela, in which progress has been made. DEA has been working with the U.S. Department of State to create a document that is acceptable to both governments. It is hoped that a mutual agreement will be reached in the near term, which will return DEA agents to their normal status in Venezuela.

The December 18, 2005, election of Evo Morales of the Movement Toward Socialism (MAS) Party as Bolivia's president also poses new challenges for DEA activities. President Morales rose to power as the leader of the coca growers union, and has established a high-profile opposition to the U.S. funded eradication of coca crops. The Morales Administration is currently faced with balancing the need to address coca farmers' constituency demands to grow and/or de-penalize coca and also meet its counter narcotics obligations to the international community, specifically coca eradication.

But despite some trepidation about what the change in Administration might mean to DEA operations, today the DEA continues to operate bilaterally with its Bolivian law enforcement counterparts. The relationship with the Morales Administration is in its infancy, and it is too early to predict what impact the change in Administration will have on DEA's operations in Bolivia.

BILATERAL LAW ENFORCEMENT—ATTACKING THE DRUG TRADE

Generically, DTOs are similar in structure and have similar operational needs to legitimate businesses, with both models sharing the goal of deriving profit. Law enforcement disruption at any level within these organizations and denial of support services, such as raw materials and communications, negatively impact their profit margin. DEA is uniquely positioned to attack these vulnerabilities in Latin America.

Disruption and Dismantlement

The leaders of the most significant international DTOs threatening the United States have been identified on the Consolidated Priority Organization Target (CPOT) list. Today, 38 of the 44 organizations on the CPOT list are based in Latin America. DEA works closely with host nation counterparts to aggressively pursue, locate, apprehend, and extradite the senior leadership of CPOTs to the United States.

While terrorist groups are involved in the drug trade, the trade continues to be dominated downstream from the cocaine production level by traditional DTOs. The DEA does not specifically target terrorist groups, except those that are involved as major drug trafficking or money laundering organizations. Today, Colombia's main guerrilla and paramilitary groups benefit and derive significant organizational proceeds from the drug trade, as well as other illegal activities such as kidnapping, extortion, and robbery. The clearest connections between drug trafficking and terrorist organizations exist in Colombia. The United States Department of State has officially designated the *Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary

Armed Forces of Colombia or FARC), the *Ejército de Liberación Nacional* (National Liberation Army or ELN), and the *Autodefensas Unidas de Colombia* (United Self-Defense Groups of Colombia or AUC) as Foreign Terrorist Organizations, all of which are based in Colombia.

DEA continues to make great strides against the FARC, as exemplified by the Federal indictment which was handed down on March 1, 2006, in the United States District Court for the District of Columbia, naming 50 leaders of the FARC as defendants. Three of those charged are presently in custody in Colombia, and the United States will seek extradition of these individuals. In addition, the United States Department of State has also offered rewards ranging from \$5 million each for the top seven leaders to \$2.5 million each for 17 of the second-tier leaders, for information leading to their capture. It is well-documented by DEA that individual FARC fronts are involved in multi-levels of the drug trade, ranging from coca cultivation and cocaine production, to taxation and providing security at processing laboratories and clandestine airstrips, to international cocaine distribution and transportation. This indictment of the FARC is the first of its kind, where the entire leadership of a Foreign Terrorist Organization was shown to be involved in narcotics distribution to the United States. I believe this further demonstrates DEA's resolve to combat narcotics distribution at the source and to contribute significantly to our nation's war on terrorism.

Interdiction—Transit Zone

One of DEA's strategies is to incapacitate major international DTOs by disrupting and dismantling supporting organizations which provide transportation services. DEA has initiated several extremely successful multi-agency operations to attack the vulnerabilities of the transportation services of these organizations. These programs also disrupt the supply of drugs to the United States and result in multi-ton seizures through targeted operations.

- DEA and JIATF-South initiated the *Drug Flow Prevention Strategy* in 2005. Operations in support of this strategy are conducted in Mexico and Central and Latin American transit zones and consist of innovative, interconnected, multi-agency host country operations designed to disrupt the flow of drugs, money, and chemicals between the source zones and the United States. This strategy also is supported by the Federal Bureau of Investigation, Internal Revenue Service, several members of the Intelligence Community, agencies of the Department of Homeland Security, and the Department of Defense.
- Operation FIREWALL and Operation PANAMA EXPRESS combine investigative and intelligence resources to interdict the flow of cocaine from the northern coast of Colombia to the United States:
 - Operation FIREWALL was initiated by the DEA Cartagena Resident Office in conjunction with the Cartagena Tactical Analysis Team and JIATF-South. It is estimated that the major syndicates use several hundred go-fast boats, each capable of transporting between 1.5 and 2 metric tons of cocaine. This program works in tandem with Operation PANAMA EXPRESS and other maritime programs that target CPOTs, as well as Colombian transportation syndicates operating in the Caribbean corridors. Since the July 2003 commencement of Operation FIREWALL, the program has resulted in the seizure in excess of 29.2 metric tons of cocaine. Additionally, Operation FIREWALL provided assistance in Operation PANAMA EXPRESS seizures of 33.2 metric tons, and other foreign countries in the seizure of 25.7 metric tons of cocaine.
 - Operation PANAMA EXPRESS, an Organized Crime Drug Enforcement Task Force (OCDETF) initiative known as PANEX, consists of agents and analysts from DEA, Federal Bureau of Investigation, Immigration and Customs Enforcement, the United States Coast Guard, and the U.S. Attorney's Office in the Middle District of Florida. This operation has targeted the highest level traffickers responsible for the financing, production, transportation, and distribution of cocaine throughout North America and Europe. Since the February 2000 implementation of Operation PANEX, 356 metric tons of cocaine has been seized, 109.2 metric tons of cocaine have been scuttled, and 1,107 individuals have been arrested. As of December 31, 2005, these two highly successful interdiction programs have resulted in combined total seizures of 410.9 metric tons of cocaine.

As with counternarcotics operations within the host nations, interdiction operations in the transit zone are contingent upon cooperative agreements. At present,

no maritime agreement exists between the United States and the Governments of Ecuador, Mexico, or Peru. Because we have no agreements with these countries, the United States can only board vessels flagged by these nations on the high seas on a case-by-case basis. Also, because we have no agreements with these countries, it is virtually impossible for the United States to obtain jurisdiction over the vessel and its contents, which is subject to the jurisdiction of the host nation. Rest assured that the Colombian syndicates exploit this vulnerability.

Over the years, Colombian traffickers have exploited the Caribbean corridor, as the region provides them with increased flexibility and anonymity because of its vast geographic territory, numerous law enforcement jurisdictions, and fragmented investigative resources. With few exceptions (notably Costa Rica and Panama), the countries in Central America are ill-equipped to handle the threat of drug trafficking. Many Central American countries are experiencing weak economies, and scarce resources are oftentimes allocated for other pressing problems. Police and other agencies are often under-funded and receive inadequate training. Consequently, some officials are susceptible to the enormous bribes that drug traffickers can offer. The corrupting influence of illicit drug trafficking organizations on the governmental institutions of Central America significantly increases the difficulties of mounting successful drug interdiction efforts.

Precursor Chemical Control

The denial of raw products and chemicals has proven to be a significant disruptive force against DTOs. We know that controlled chemicals are camouflaged and clandestinely imported into Colombia, and many chemicals are also diverted by a small number of employees at large chemical companies in Colombia.

Unfortunately, despite positive law enforcement initiatives and growing cooperation between the United States and Colombian Governments, traffickers are still able to obtain vast quantities of essential chemicals. The policing of the illegal diversion of raw products and precursor chemicals within Central and South America is challenging because of the different chemical laws in each country. What may be legal in one country may be illegal in another. This vulnerability is being exploited by the traffickers.

However, through Operations *Seis Fronteras* and ALL-INCLUSIVE, initiatives that promote cooperation among South and Central American nations to interdict the movement of essential precursor chemicals to drug production areas, the participating countries have achieved successful collateral and multilateral-sharing of chemical information. There has been noted multi-lateral success which would not have been achieved without these operations and the multi-lateral agreements.

Financial Investigations

DEA's overall strategic approach is based on the recognition that the major drug traffickers, operating both internationally and domestically, have insulated themselves from the drug distribution networks but remain closely linked to the proceeds of their trade. DEA is mounting several innovative approaches aimed at targeting the flow of money from the streets of America to the leadership of major DTOs. In FY 2005, DEA's asset and currency seizures, excluding the value of drug seizures, were \$1.4 billion. In addition, we also made more high-value seizures (those over \$1 million) in FY 2005 than in FY 2004. DEA also denied drug traffickers \$1.9 billion in revenue in FY 2005, which includes \$1.4 billion in seized assets and \$477 million in drug seizures.

Americans spend nearly \$65 billion every year on illicit drugs. In its 2005 World Drug Report, the United Nations Office on Drugs and Crime estimated illicit drug revenues generated in the United States, Canada, and Mexico during 2003 at \$142 billion. A significant portion of these drug revenues return to the source countries in Latin America primarily through two money laundering methods—the Black Market Peso Exchange (“BMPE”) and bulk currency smuggling.

The BMPE is currently the largest known money laundering system in the Western Hemisphere. Using a “parallel exchange” system, drug traffickers are able to sell drug dollars to brokers in exchange for pesos. Brokers then sell the drug dollars to Colombian merchants who purchase goods in the United States and elsewhere. By purchasing drug dollars on the Black Market and not through Colombia's regulated exchange system, the importers avoid Colombian taxes and tariffs, thereby gaining significant profit and a competitive advantage over those who import legally.

Stronger banking laws have forced some DTOs to change their money laundering methods. The transportation and smuggling of drug dollars out of the United States in bulk form is now the primary initial method of money laundering, with the currency being entered into banking systems in countries with weaker banking regula-

tions. In particular, billions of USD are smuggled across our border with Mexico, the majority ultimately destined for Colombian drug trafficking syndicates.

To combat this threat, DEA has established its Bulk Currency Initiative, with the goals of providing training for all law enforcement officers involved in bulk currency interdiction and investigations; increased coordination between DEA and its federal, state, and local counterparts; centralization of intelligence; and the analysis and linkage to ongoing investigations.

DEA continues to provide assistance to its Latin American host nation counterparts through interagency coordination and bilateral agreements to combat money laundering and terrorist financing. We also continue to support foreign-based money laundering investigations conducted by specialized units of our Latin American law enforcement counterparts. Arab DTOs based in the Tri-border Area of Latin America (where the borders of Argentina, Brazil, and Paraguay meet) have been using the region as the central point for cocaine smuggling operations to Brazil, Europe, and the Middle East. These organizations have ties to radical Islamic terrorist groups such as *Hezbollah* and it is feared that these groups are reaping large monetary benefits from trafficking activities. It is important to note that this is not an emerging threat *per se*, but one that has existed since the late 1980s or early 1990s. After the terrorist attacks of September 11, 2001, governments the world over began to focus more attention on what was happening in the Tri-border Area in order to determine the severity of the drug trafficking emanating from the region and whether or not Islamic terrorist groups were benefiting financially.

Investigations into these groups as part of DEA's *Drug Flow Prevention Strategy* reveal Arab DTOs are exporting cocaine from South America to Europe and the Middle East. There are numerous reports of cocaine proceeds entering the coffers of Islamic Radical Groups (IRG) such as *Hezbollah* and *Hamas* in Europe and the Middle East. With the immense profit margin of cocaine sold in the European and Middle East markets, an initial investment of less than \$6,000 USD for one kilogram of cocaine in Latin America, can yield a minimum of \$30,000 USD in Spain, up to \$110,000 USD in Hungary and Israel, and up to \$150,000 USD in Saudi Arabia, United Arab Emirates, or Oman. The danger of Arab DTO's and IRG's profiting from the lucrative cocaine trade can lead to an unlimited source of cheap and easy revenue to carry out potential terrorist acts.

DEA's primary efforts against these groups will focus on the identification, targeting, disruption, and dismantlement of Arab DTO's in the Tri-Border Area. We are also attempting to identify the cocaine sources of supply from the Andean Ridge, identify any arms-for-drugs nexus, and identify and track IRG networks in Latin America, Europe and the Middle East, which are reaping the financial benefits from the lucrative European and Middle East cocaine markets. Key to these efforts will be to attack the financial narcotic nexus.

Progress will be made towards disrupting and dismantling the Arab DTOs only through a concerted effort that harnesses the assets of Federal law enforcement, host-national law enforcement, and the Intelligence Community in targeting both the drug and money laundering aspects of drug trafficking in the Tri-border Area. Strengthening host-nation judicial capabilities will also be essential in convicting and jailing those involved in Tri-Border drug trafficking activities.

CONCLUSION

DEA's investigative efforts in Latin America will continue to be directed against the major international trafficking organizations and their facilitators at every juncture in their operations—from the cultivation and production of drugs in foreign countries, their passage through the transit zone, and their eventual distribution on the streets of our nation's communities. We will also direct our efforts against those affiliates who supply precursor and essential chemicals and provide financial services to these organizations.

The longstanding bilateral law enforcement relationships in Latin America have proven to be key to DEA's success. Bringing to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States will remain the core of our focus. Formalized agreements necessary for bilateral working relationships and non-politicization of one of the world's common endeavors—the elimination of the illicit drug trade—will bring the United States and the nations of Latin America closer to this objective.

Mr. BURTON. Since we have less than 5 minutes on the clock, we will recess and try to come back as quickly as possible. We do not

want to hold you up any longer, and I have a number of questions that I would like to ask.

We will stand in recess at the fall of the gavel, and if our Ranking Republican comes back and wants to start, that is okay. We stand in recess.

[Recess.]

Mr. BURTON. First of all, let me apologize to you for being gone so long. We had an unexpected vote that we did not want to have to make, but we did. So we are back. Let me start off by talking to you about the lack of equipment.

I mentioned in my opening remarks that we asked for 23 additional aircraft, and we were able to get three through the House, which at least was a beginning. Also, as I understand it, there have been as many as 55 aircraft that have been lost in the last 10 years.

I have been told that your records only go back to 1999. However, if you go back another 4 or 5 years, according to the information that I have, there has been 55 aircraft that have been lost and not replaced. How can President Uribe do the job down there without the equipment that he needs?

Ambassador PATTERSON. Mr. Chairman, let me give you some figures on this, because I think overall the story is a little more encouraging than the one that you have painted. Our figures do go back to the year 2000, and we have lost 39 aircraft.

We can give you quite a bit of detail on this, but just to put this in perspective, in 2000, we had 54 helos, and now we have 147. We had 10 spray aircraft, and now we have 21. We had 17 fixed-aircraft, and now we have 36.

This is supported by INL in various categories; the police program, which is a different category than the air wing, as your staff knows. And also during this period, there has been a sharp increase in quality because we have expanded the inventory of Hueys.

We bought seven aircraft, air tractors, which have better capacity on spraying. We have bought the Blackhawks. At the same time the Colombians have, through their national funds, purchased Blackhawks and a number of other aircraft, and have another Blackhawk sale pending.

At INL, we are quite proud of our readiness rates, which run from 79 percent on the Army program, to about 69 percent on the police program. We are very mindful, and with all of this said, I think we have come a long way.

You have a totally legitimate point insofar as they need more aircraft, and they need updating of the aircrafts they have. The problem with the aircraft packages is that they are simply wildly expensive.

So what we are going to undertake, and you were kind enough to give us \$30-million this year, and we have asked for another \$60-million, our critical flight safety program, of which 60 or 70 percent will focus on the aircraft available in Colombia, and upgrade the helicopters, and upgrade the spray packages.

We have old aircraft, and they are not commercially supportable, and we are hopeful with this critical flight safety program that

they will both improve performance and improve the safety over the next several years.

Mr. BURTON. Well, it was just pointed out by my right hand here, or one of my right hands, which says that a lot of the taxpayer's dollars are going to be spent on counterdrug efforts in other places in the Andean region, replacing Colombian anti-drug police helicopters to take down rebel leaders, who are upgrading Bolivian helicopters to Huey-2s. Is that correct?

Which is better? Is it better for them to be used in Colombia, or to spend that money, and send those helicopters into Bolivia, especially with a new Administration, and we don't even know if they will use the Huey-2s.

Ambassador PATTERSON. We are very mindful of that. We don't know yet, but we don't feel that we can afford to ignore Bolivia because of the history of Bolivia, and because it is still a major source of coca cultivation.

Mr. BURTON. Well, I understand that, but the new President has made some very strong statements against what we have been doing, and against the United States, and before we start throwing money down there and sending helicopters, I am sure that the Administration is going to take a hard look at what Mr. Morales is going to be saying and doing.

Ambassador PATTERSON. Well, we are very concerned about President Morales' statements, Mr. Chairman, very concerned, and as you may know, some of the helicopters that were originally scheduled to be delivered for Bolivia are now in Afghanistan assisting in that really critical drug fight against opium.

But it is critical flight safety even now, even with the Bolivian input, 60 to 70 percent of those dollars that we have requested of you would go to support Colombian aircraft.

Colombia is still the center of our aviation activities. We are very mindful of the shortages and some of the shortfalls that you have outlined, and we are trying to redress them with a longer term plan over the next several years.

Mr. BURTON. How many of those are for the Colombian police? Are they all for the army?

Ambassador PATTERSON. No, they are not all for the army. The spray aircraft, of course, are always under the control of the Colombian police, and I would have to get you the figure on the helicopters.

Mr. BURTON. Could you give us a complete report on that?

Ambassador PATTERSON. Absolutely, we would love to have your staff. I think they may have been down to the air wing, and we have some very comprehensive briefings on our plans. Absolutely.

Mr. BURTON. Well, we would like to take a look at all of that if it is okay.

Ambassador PATTERSON. Absolutely.

Mr. BURTON. I just have two more questions and then I will yield to my colleagues, because I don't want to monopolize all of this. How can you go after the FARC leadership, which are now under United States indictment—I think there is 50 of them—when the lost helicopters such as the CNP UH-60 Blackhawks, and the Huey-2s, have not been replaced?

Also, you made an argument on opposition to that, and your aerial asset allocations system is so overly bureaucratic that it requires 48 hours advanced notice and planning, and the FARC guys start moving within 6 or 7 hours.

We have got to get that time frame down to 4 to 7 hours so we can catch these guys, and right now it is saying 48 hours advanced notice and planning for us to get on line and go after these guys.

Ambassador PATTERSON. Mr. Chairman, that would be for a routine mission, and there is a lot of information that we can supply to you on this issue. If it is an effort to catch a FARC leader, believe me that the United States Embassy in Bogota would throw every resource they had into the fight.

Mr. BURTON. What is the time frame on that?

Ambassador PATTERSON. When I was there, we could do it, and we did do it, in a matter of hours. What I think happens sometimes is that there are lower level commanders that would say, oh, the United States Embassy does not give me resources.

However, our practice, and I think it is a solid one, is that these requests have to go up the chain-of-command, because only the Colombian chain-of-command can make these decisions.

Believe me, there is no higher priority for the United States Embassy than apprehending these major FARC leaders as well. I think the figure from the Embassy, but I want to verify this for you, is that only four of these missions have been turned down in the last year.

That was because of competing missions that were of a higher priority, or an overriding safety concern. The vast majority of these missions are approved, and believe me if they are urgent, they are approved quickly.

Mr. BURTON. Okay. Well, we would like to have as much information as possible on that as well.

Ambassador PATTERSON. Absolutely. We have very detailed figures on this, Mr. Chairman.

Mr. BURTON. I would like to have that if I could.

Ambassador PATTERSON. We will make those available to you.

Mr. BURTON. Thank you. One last question. Why are you ending funding for a major intelligence program in countries—and I am talking about Bogota—that recently helped bring down a major leader in the ACU, and just when you are saying you are going after these major kingpins?

Are we serious about helping bring the FARC leaders to justice in the United States on these drug charges, and are we cutting back or ending funding for this major intelligence program in Bogota?

Ambassador PATTERSON. INL will transfer funds to DEA for this. This is not sort of a typical INL program, because it basically is a law enforcement program.

Mr. BURTON. Well, what I would like to do—

Ambassador PATTERSON. We will transfer the funding to the DEA.

Mr. BURTON. Can you give me a time frame on that? You don't have to do it right now, but if you could let us know when—

Ambassador PATTERSON. In the next couple of months. We have to do a reimbursable agreement, but we will transfer the funds.

Mr. BURTON. Well, I would like to know when that takes place if you don't mind, Madame Secretary.

Ambassador PATTERSON. Absolutely.

Mr. BURTON. Okay. Thank you. I think that Mr. Delahunt is next. You were here first. Okay. Mr. Faleomaveaga.

Mr. FALEOMAVAEGA. Thank you, Secretary Patterson, and Mr. Braun, for your eloquent statements. I just wanted to go back to the more fundamentals, and try and learn arithmetic here. What is the total dollar value of the drug trade coming from Latin America?

Mr. BRAUN. Congressman, I don't have the exact numbers for the drug trade coming out of Latin America, but what I can tell you is that the best estimates are that Americans spend about \$64-billion or \$65-billion a year to feed their insatiable appetite for drugs, and obviously much of that money is from Latin America.

Mr. FALEOMAVAEGA. That was going to be my next question, sir, and you beat me to the gun on that, Mr. Braun. I want to know particularly if we want to put in dollar value the drug trade coming from Latin America alone?

Would you say that our appetite here alone in our own country is about \$65-billion?

Mr. BRAUN. Yes, \$64-billion or \$65-billion is the best estimate.

Mr. FALEOMAVAEGA. Well, that is pretty hefty. I thought it was a lot more than that. But the total, and this is worldwide, and coming from all different directions, the American appetite for drugs is \$65-billion?

Mr. BRAUN. That is correct. We can work to get you those other figures.

Mr. FALEOMAVAEGA. I would appreciate if you would submit that for the record. I am just curious about that. My next question is how much does our country spend—the DEA, drug interdiction, everything that the Chairman has asked about, such as for the helicopters, and anything and everything that has to do with what we are spending in Latin America in eradicating drug trafficking and coming from Latin America to our country?

I am just trying to get the general number for dollars that we are spending. How much are we spending for drug interdiction?

Mr. BRAUN. I believe the amount is about \$15-billion.

Mr. FALEOMAVAEGA. So, \$15-billion annually?

Mr. BRAUN. That is what I believe.

Mr. FALEOMAVAEGA. Just from Latin America alone?

Mr. BRAUN. No, no, I am sorry, not just Latin America. No. That is the overall expenditure.

Mr. FALEOMAVAEGA. Out of that \$15-billion, how much of that do you think—and you can wing it, do you think we spend for Latin America alone?

Mr. BRAUN. Just to clarify something, that is one-five, 15 billion, and not 50.

Mr. FALEOMAVAEGA. Yes, 15, I got that.

Ambassador PATTERSON. I think from this, and I can't speak to, for instance, DEA's operational budget, or what the military would spend, but INL has requested something in the range of \$550-million this year. And Plan Colombia alone, Mr. Congressman, is between \$4-billion and \$4½-billion.

Mr. FALEOMAVAEGA. Can you give me that again? Four billion dollars?

Ambassador PATTERSON. Since 2000, the initial stage of Plan Colombia in 2000 is between \$4-billion and \$4½-billion.

Mr. FALEOMAVAEGA. So we have spent about \$4-billion or \$5-billion in the last 5 years?

Ambassador PATTERSON. In Colombia, yes.

Mr. FALEOMAVAEGA. That is just in Colombia alone?

Ambassador PATTERSON. Yes, and say another \$100-million in Peru and Bolivia.

Mr. FALEOMAVAEGA. Can you submit that for the record?

Ambassador PATTERSON. That is easy, sir. We will submit that.

Mr. FALEOMAVAEGA. I would really appreciate that. By the same token, how much do we give to Latin America as far as promoting economic development? Can you provide that?

Ambassador PATTERSON. Certainly we can provide it, and I think that the point that you are getting at is that traditional assistance has dropped, but I think it is going up again with the partnership with the Millennium Challenge Account and other accounts, but certainly our overall foreign assistance budget has been under considerable pressure.

Mr. FALEOMAVAEGA. I am trying to get the big picture here, with Latin American down there, and Uncle Sam up here, and one of the leaders of Latin America was complaining about if there wasn't so much demand from the United States that maybe this will discourage Latin American countries from supplying us with the drugs.

I was just wondering how well are we doing in our own country in going after our own cartels, going after our own drug pushers, as part of the prevention effort if you will.

I don't think that this problem is going to change, at least in the years that I have served on this Subcommittee, and that drug trafficking has been in existence for the last 20 or 30 years, and it is still there, no matter how many preventive efforts that we have made.

Now, just in the last 4 or 5 years, we have expended over \$4-billion or \$5-billion. I want to know if our higher priority is drug trafficking control? Is that more important than trying to give economic development initiatives to these countries so that maybe they can make better use of the money rather than spending so much in this effort.

I am just curious, Mr. Braun, how successful have we been if you say from a scale of zero to 10, that we have been very successful in going after our own drug cartels, and our own drug pushers and preventing this thing from coming to our country?

Mr. BRAUN. Well, first of all, sir, you have got to understand that the way that the drug trafficking has evolved, not only in our country, but globally. The 42 most notorious drug traffickers and organizations that are impacting not only the United States, but other parts of the world, all operate and reside outside of our boundaries.

That is one point that I would like to make. But of those 42, 38 have actually and are currently under indictment in the United States. I believe since we started putting that list together, that most wanted list if you will, about 4 or 5 years ago, we have actu-

ally been able to arrest and have extradited to the United States a number of those, and what are referred to as——

Mr. FALEOMAVAEGA. I know that my time is up, Mr. Chairman, but I just wanted if you could provide that, Mr. Braun? Mr. Chairman, can I just have one more question?

Mr. BURTON. For you, Mr. Faleomavaega.

Mr. FALEOMAVAEGA. You are a gentleman and a scholar. Mr. Evo Morales was recently elected as the newly-elected President of Bolivia, and he now as one of his basic tendencies is to commercialize the production of the coca plant as an enterprise, not only for mediational, but pharmaceutical.

I was wondering can we assist President Morales in this effort, that he wants to convert the use of the coca plant maybe for pharmaceutical and mediational purposes rather than calling it as a dangerous drug? Because the Indians there either chew it, or if they want to go up in the mountains, they chew the coca plant, because it gives them—we use the kava plant.

It does not make you drunk, but it is a sedative, and I just wanted to know, do we really understand natives of this country, because over 65 percent of the population in Bolivia are indigenous indians, and they use the coca plant all the time for mediational purposes, and not necessarily for the way that we are using it.

Also, I was wondering if you think that we can assist Mr. Morales in this effort?

Ambassador PATTERSON. Mr. Faleomavaega, I guess I would answer that I don't think we should, because already the cultivation in Bolivia greatly exceeds the so-called traditional uses, which is chewing, and coca tea, and things like that.

It is clearly the excess over these needs which is only a few thousand hectares, is clearly being exported at this moment to Brazil, and which is a growing dope market in Latin America.

What we don't want is Bolivian cultivation to soar again and to start to come into the United States market, and undermine everything that we have been trying to do in Colombia.

There is a legal market for coca. Most of it is exported out of Peru, and it has a pharmaceutical base, and it happens to be tiny. That is not the answer in my view at least to Bolivia's problems.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I will wait for the second round. I have got some more questions. Thank you.

Mr. BURTON. Thank you. Mr. Weller.

Mr. WELLER. Thank you, Mr. Chairman, I missed the opportunity to make an opening statement. I would just ask for unanimous consent to submit that for the record in the appropriate place.

Mr. BURTON. Without objection.

Mr. WELLER. Thank you, Mr. Chairman.

And I want to welcome Secretary Patterson and Mr. Braun to our hearing this morning. Mr. Braun, since we are focusing on narcotics here, and your agency plays the lead role, what do you consider to be the biggest investigative challenge that you face right now in Latin America?

Mr. BRAUN. The biggest investigative challenge that we face in Latin America? Let me try to put it in these terms, because there

has been talk during the opening remarks, Congressman, of both terrorism and narcoterrorist organizations.

If you look at today's foreign terrorist organization, and you compare that to the modern day drug trafficking syndicate from Latin America, they are virtually identical. They operate exactly the same way.

They both have very complex organizational structures that consist of highly compartmentalized cells when you are talking about drug trafficking organizations from Latin America, and Colombian, and Mexican drug trafficking organizations.

Again, they are highly compartmentalized. They are broken down into distribution cells or trafficking cells, and transportation cells, and security cells, and communications cells.

And if you take just two or three of those distribution cells down, or transportation cells, you have virtually no impact whatsoever. Because they are so highly compartmentalized, they don't even know that the other cells exist and where they are operating.

They are organized just like foreign terrorist organizations. They both rely on the latest in technology, which is very much a concern for the DEA. They rely on the cell phones, the satellite phones, many of which are encrypted now with off the shelf encryption devices.

Even off-the-shelf technology makes it very difficult for those of us in law enforcement, and not only in law enforcement, but in the intelligence community. They also rely on not only the communications devices—cell phones, Sat phones, and text messaging, the Internet—they also rely on the latest in navigation equipment, GPS. They leverage and exploit all of these things that make life very, very difficult for us. Just like terrorist organizations, unless you are able to cut off the head, they are able to regenerate themselves very quickly.

You can take the arms, and legs, and the digits off, but if you don't take the head off, often times they are right back in business within days, within short periods of time.

They have got hundreds of millions, and not tens, but hundreds of millions of dollars, if not billions of dollars, and they can corrupt, and use that money to corrupt with, as well as invest in those technologies, modern technologies, which is just a tremendous problem for us. We are falling behind the curb there.

I think that the third most significant challenge for us, and the first two again being technology and the corrupting ability of these organizations, is their organizational structure. They have evolved into very, very complex organizations.

Mr. WELLER. Mr. Braun, and Secretary Patterson, and Madam Secretary, I would ask that you comment on this as well, and first I want to again commend you and your department.

We have worked together over the last several years getting the international law enforcement academy established in El Salvador, and the satellite campus that is underway in Peru as well.

It is important for group coordination and communication with law enforcement agencies in the region, just as our law enforcement agencies between Virginia and Maryland call each other when there is criminal activity that crosses the State line.

We want to encourage that, and professionalized law enforcement in the regions is a part of that. Tying in with the question that I asked Mr. Braun about the increased sophistication as you had mentioned, we are hearing that from our friends.

Recently, some of our senior staff from this Committee were in El Salvador meeting with those that are involved in law enforcement, as well as senior officials. They indicated that certain gangs, such as MS-13, the Eighteenth Street Gang, and those that are trafficking cocaine throughout El Salvador, as well as Central America, they indicate exactly what you are talking about, which is the sophistication of these gangs.

Madam Secretary, I would ask you to comment on this first, but do you see these gangs as they grow in sophistication, and grow in the amount of resources that they have, do you see them emerging as a threat to our national security?

Ambassador PATTERSON. Mr. Weller, I think these gangs are a huge threat, and I was astonished frankly. I had been Ambassador to El Salvador from 1997 to 2000, and when I came back, there has certainly been a lot of work done to combat these gangs, but they have grown very substantially in both reach and numbers.

Here today with us is my new deputy assistant secretary, Christy McCampbell, who has 30 years of law enforcement experience from California, and she is going to be working with the Department of Justice to try and develop—again, a lot of work has been done, a more comprehensive strategy on this.

As you know, we are going to teach courses in the INL in combating gangs and more sophisticated efforts, like forensic accounting, and money laundering, and such. But the gang course is a very high priority.

We have met with the Central Americans, and OASC is doing work on this, and some of your other witnesses, like Joy Olson, have done a lot of work. So we are going to be coming forward with a reprogramming notice soon to this Committee, and others, to try and put more money against this problem. It is a very serious issue.

Mr. WELLER. Well, in particular, I hope you will focus on corruption as well. There is a lot of money flowing around that can be tempting, particularly for the public officials, to take advantage of that, and we would hate to see that continue to grow to be a problem.

Can you comment on the connection between these gangs—MS-13, and the Eighteenth Street Gang, and their ties with the Colombian, as well as the Mexican drug cartels? Also, what are we doing to disrupt those connections?

What is the DEA doing as well? If you would both comment, I would appreciate that.

Mr. BRAUN. Well, first of all, Congressman Weller, I would echo what Ambassador Patterson just said, that these gangs do pose a significant threat as far as the DEA is concerned.

I can tell you that at this point, however, that we don't believe that any of these gangs have developed. They are not as sophisticated in their drug trafficking activities as, say, the Colombians or the Mexicans, Mexican drug trafficking organizations.

We also have intelligence by the way that many of the Colombian and Mexican syndicates don't want anything to do with these folks, and for what reason, we are not sure right now. They are really not that interested in doing business with them.

Suffice it to say that throughout Central America, and in parts of Mexico, and even in some parts of South America, these gangs are involved in drug trafficking activity. It has spilled over our borders as some of these gang members have migrated into the United States, whether it be legally or illegally, and established operations in our country.

We certainly have seen that in Virginia, with an ongoing MS-13 investigation that is being conducted by the interagency and Federal law enforcement community, along with local and State law enforcement.

Mr. WELLER. Mr. Chairman, I realize that my time has expired, but I have a quick followup on this if I could.

Mr. BURTON. Go ahead.

Mr. WELLER. There was an official in the opposition in El Salvador that told our Committee staff that they actually have seen evidence that there is a linking up between the Colombians and the Mexicans. Is there any further comment that you can make in what you have shared? What do they know that we don't?

Mr. BRAUN. Well, we have an office in El Salvador and we work very, very closely with the national police there. In fact, we have got offices in every country in Central America, where this activity is most prevalent right now.

I am not going to sit here and tell you, and DEA is not going to tell you, that there are not links between these organizations and some members or elements of Mexican and Colombian—or organizations of Colombian or Mexican descent.

I can only tell you that at a very high level, a very high level, powerful Colombian and Mexican drug trafficking organizations are not dealing face to face with these folks at this time. Not to say that it is not going to happen in the future.

I believe it was before this Committee a few months ago where I was testifying about the drug threat in the transit zone, and I used the Pablo Escobar example. I mean, Pablo started out as a street thug, and as the Ambassador knows from her days in Colombia, we know what he morphed into, and what he grew into over the years, a very powerful, and probably the most powerful drug trafficker in the western hemisphere.

What concerns me is that many of these violent gangs throughout Central America that are not just involved in drug trafficking, but are involved in extortion of shop owners and people on the street, and they are involved in home invasions, and they are involved in kidnappings, and they are involved in a myriad of crime, I know what is going on within these groups.

And you have got a lot of young, very violent criminals, and for the most part are very poorly educated, and they are vying for power right now, and they won't hesitate to kill anyone within or outside the organization as they try to climb to the top of the ladder.

Mr. WELLER. Thank you, Mr. Chairman. You have been very generous in giving me that extra opportunity. Thank you.

Mr. BURTON. Mr. Delahunt.

Mr. DELAHUNT. I would just like to ask a series of questions, Ambassador, or just a second, Madame Secretary. The three Americans that are being held hostage by the FARC, is there an update on that that you can give us?

Ambassador PATTERSON. No, Congressman Delahunt, there really is not an update on that. We have said many times that we will use every means available to try and achieve their release, but we cannot make concessions to terrorists.

There really isn't an update, and the FARC, of course, has the responsibility for their safety and security. This is a horrible situation.

Mr. DELAHUNT. I understand that, but I wish you would convey back to your supervisors that it is a concern of all of us that serve on this Subcommittee, and all in the House, and it is a priority, to be candid.

I don't deny the fact that more assets are needed, but as I indicated in my opening remarks, if you will, there comes a point in time when the issue is who pays. I think really we are at that point right now. I think we have to remember that Colombia is not a third-world country.

It is a prospering economy, and their GDP is growing more quickly than ours, and that is good. I just hope that the benefits of that growth are being defused throughout the entire society.

I would hope that message is being delivered to the Colombian Government by this Administration, because it truly is important. Part of my frustration is—and I think we have a responsibility to work with the Uribe Government—with the Colombian people because, in-part, we are significantly responsible for their problem and the violence that has been the byproduct of the drug traffic between our countries.

But in this country—and, Mr. Braun, feel free to interrupt—the reality is today that in the northeast, for example, meth, is becoming the drug of choice as opposed to cocaine.

Our efforts in Colombia are focused on interdicting cocaine. We don't have as much of a direct selfish, if you will, interest in interdicting cocaine as we do with dealing with another series of drugs.

That is why I put out there the question of how much longer is the American taxpayer going to have to participate in the same order of magnitude, particularly when we receive information that revenues generated through compliance, and full compliance with the tax laws in Colombia and elsewhere, leaves a lot to be desired.

That is my frustration, and I think that we can all understand that there is a need, and I do respect what President Uribe and his successor, President Pastrana, has done.

Yet, there comes a point, and I think we are getting there quickly, and that is just an observation. Mr. Braun, I would like to go to the issue of Venezuela. I know that there are discussions going on now between the respective governments about reconfiguring and reconstituting, if you will, the relationship between the DEA and the appropriate agencies in Venezuela.

Up until the replacement of—and I forget the woman's name, but the female drug czar, how would you describe the cooperation between Venezuela and this Administration?

Mr. BRAUN. As I said in my opening statement, sir, we have got some real challenges in Venezuela.

Mr. DELAHUNT. No, I am just asking a very discreet question. Up until the replacement of the female drug czar, how would you describe the cooperation between the Venezuelan Government and this Government?

Mr. BRAUN. Before she was replaced?

Mr. DELAHUNT. Before she was replaced.

Mr. BRAUN. Before she was replaced, it was far better than it was now. We had better police and national guard counterdrug investigative units that we worked very, very closely with, and for the most part those relations have been severed, and not by us obviously.

Mr. DELAHUNT. Okay. But up until that replacement, it was generally a constructive, positive relationship?

Mr. BRAUN. It was, yes. Yes, sir, it was.

Mr. DELAHUNT. Okay. Can you give us an update on the status of the negotiations?

Mr. BRAUN. We are working very closely with the State Department, and the Ambassador, by the way, is doing a phenomenal job. He is fully engaged and working very, very hard on in implementing a document that would basically define the parameters by which we could work with the Venezuelan Government.

We believe, and I believe a recent update to give you, I believe it potentially may be signed within the next couple of weeks from what we understand.

Mr. DELAHUNT. Is that correct, Madame Secretary?

Ambassador PATTERSON. Yes, we are working very hard on this.

Mr. DELAHUNT. So there is the possibility within the next few weeks? So I would suggest that it is incumbent upon all of us to not allow the acrimonious relationship that currently exists on the political level to interfere with hopefully an accord that would restore DEA to having a positive relationship with the corresponding Venezuelan agencies.

That would just be an observation, but you are free to comment on it, Mr. Braun.

Mr. BRAUN. No, sir, I just appreciate your comments and your support. I mean that with all sincerity. We are trying to get back in the game in Venezuela, and if we are going to be successful, we have got to be able to do that.

Mr. DELAHUNT. Well, I can assure you that I will make every personal effort that I can to see that that accord is achieved, and if you feel that I can be of assistance, Madame Secretary, or Director Braun, please feel free to contact me. With that, I yield back.

Mr. WELLER [presiding]. Thank you. Secretary Patterson, my friend from Massachusetts raises an interesting point, and the view that we should be asking the Colombian Government as a nation to be shoulder more of the financial burden of the war against drugs.

Picking up more of the costs of Plan Colombia, that is a very interesting idea, and I am just wondering. You spent a lot of time in Colombia. That is where we first met.

From your knowledge of the priorities of the Colombian people, and the priorities of the Colombian Government, who have been

engaged in essentially a civil war for 30 or 40 years, do you think if we put more of the burden on them for the financial costs of the war against the counternarcotics efforts that they would make it their first priority, or would the first priority be using what limited resources they have for the efforts against the FARC and the other terrorist and guerrilla groups that are operating in their country?

Ambassador PATTERSON. Congressman Weller and Mr. Chairman, I think that the two are so intertwined that this is the highest priority. It is very difficult to distinguish between the two.

I wanted to comment on what Mr. Delahunt had said. We have had many discussions with the Colombian Government. They know, and are totally prepared to pick up more of the costs of this activity.

You mentioned the tax collection item. When President Uribe came into office several years ago, it was the lowest in Latin America, with the exception of Guatemala, and defense spending has gone up 30 percent, adjusted for inflation, and social spending has gone up.

The presence of the military and the police have gone up by 60 percent. So, I think it is fair to say that the Colombian Government is making a very significant investment in this.

To give you an example of how this should work, we have been spending a lot of money on Average Denial, a very expensive program, largely successful, and next year, they will have the Tuconos coming on board. They purchased these jet aircraft. So we will expect them to bear more of the operations and the costs on this, and they are prepared to do so.

Mr. WELLER. As I understand it from what you are saying, Madame Secretary, is that you believe the Colombian Government considers our counternarcotics effort, as well as the fight against the FARC and the other terrorist groups, one and the same?

Ambassador PATTERSON. One and the same. They know that you can't beat one without beating the other, and no one feels more strongly about this than President Uribe.

Mr. WELLER. Before I recognize my friend, Mr. Engel, what year did the State Department determine that FARC was a terrorist organization?

Ambassador PATTERSON. I don't remember, but I am not sure. I think it was 1998, but I will get that for you.

Mr. WELLER. All right. And the other two groups that are operating in Colombia?

Ambassador PATTERSON. The ELN, I think, preceded 2000, and the AUC was like in 2001 or 2002.

Mr. WELLER. Okay. If you can get us the exact dates, we would appreciate that.

Ambassador PATTERSON. I will get for you the precise dates.

Mr. WELLER. We would appreciate that. Thank you, Madam Secretary. Mr. Engel.

Mr. ENGEL. Thank you, Mr. Chairman. Mr. Braun, in your testimony, I was particularly interested when you mentioned the connection between drug trafficking and fund raising activities for both Hezbollah and Hamas in the tri-border region.

Could you expand on that? How are they raising their money, how much, for whom, and where?

Mr. BRAUN. I have to be a bit careful here because we have ongoing investigations and intelligence collection projects.

Mr. ENGEL. If it is something that you cannot tell me, I would welcome a classified briefing on it.

Mr. BRAUN. We would be more than happy to provide that to you, Congressman. I can tell you, and to put it in perspective, when an organization in the tri-border area can purchase a kilogram of cocaine for somewhere between \$4–6,000, and then turn nearly \$150,000 in profit per kilogram in places like Israel and Europe, the potential is there to make enormous profits and money.

I am not going to sit here and tell you, sir, that all of that money is making its way into the war chests of terrorist organizations that are hell bent on destroying our way of life.

I can tell you that some of that money is making it into their coffers, and then to put it into even further perspective, when you think that the Madrid train bombing only cost about 60 to 70,000 dollars to pull off, and a loss of life and property in that event, and again just to put it into perspective for you, it is something that we are very concerned about, as well as I know that our colleagues at the State Department. But I would be happy to give you a briefing.

Mr. ENGEL. Thank you. Secretary Patterson, you mentioned in your testimony that you had budgetary pressures from Afghanistan, and due to increased drug crop cultivation there the amount of money available for counternarcotics assistance obviously has been squeezed.

How is this, in your opinion, affecting our efforts to fight drug trafficking throughout the western hemisphere?

Ambassador PATTERSON. Certainly, Mr. Engel, the two huge boys on the block, Iraq and Afghanistan, are absorbing huge amounts of government resources, and for my bureau as well, because we are deeply involved in some of those countries.

Certainly we could do with more resources, but we are trying to work a little smarter. As I said, the critical flight safety program will be cheaper than buying new aircraft.

We are trying to extend the life, and we are trying to use the Average Denial aircraft to do some maritime patrol, but money is going to be a problem, and I think it would be naive to say otherwise.

An area that Congressman Delahunt has been very interested in, and I think we will have enough funds for, is the Haitian police, but we are not sure. So that is not a very good answer, but yes, of course, it is going to have an impact.

Mr. ENGEL. Well, since you mentioned Haiti, let me raise it. Many of us met with President-Elect Preval yesterday or the day before, and he will be sworn in next month, and some of us hope to go to his swearing in.

Drug traffickers in Haiti are fragmented into competing cells, and they are obviously a major destructive force in Haiti. They contract gangs and threaten entire communities.

Also, in Haiti there is really no law enforcement. It has become a major transition, a regional transit point, in the international drug trade. How do we plan, or do we have any plans to assist the

new Preval Government in dealing with this? I think right now with a fresh beginning.

Now is the time for the international community to show that it really stands with Haiti. So are there any plans to assist the government to address all these problems, and what are our plans for working with the Haitian National Police to strengthen its counter-narcotics capabilities?

Ambassador PATTERSON. Yes, sir, we do have plans, and like you, I was dismayed when I saw the number of tracks going into Haiti and the Dominican Republic. Although, there were some major drug traffickers who were put in jail in 2003 and 2004.

We are going to spend \$2-million this year to set up a counterdrug unit with the Haitian Police. I will be candid, we have poured huge amounts of money into that organization over the past 10 or 15 years with no good effect.

Even so, we are hopeful, like you are, with President Preval. We are very encouraged by the new head of the Haitian National Police, Mr. Andersol. We are also very encouraged that other Latin American countries have stepped up to the plate on this.

The Argentines, the Brazilians, the Uruguayans, and the Canadians have a very significant presence there. So, yes, we do have plans to work on this. Again, we are just cautious in promising a quick success.

Mr. ENGEL. I just wanted to ask you one final question, because in your testimony, you mentioned that The Netherlands will supply two aircraft for maritime surveillance.

I am happy about that, but can you comment on the EU and if you think overall that they are putting forth an adequate effort, or could they do more to help us fight drug trafficking in the western hemisphere.

Ambassador PATTERSON. Well, I think for all of us who have worked on Latin America, the European contribution has been disappointing, but I also think it has gotten better. While the amounts given in Colombia aren't substantial—well, \$100-million over the past few years is substantial, but where they really have put their resources, and the Brits, and the Dutch in particular, have been in the Eastern Caribbean.

The Brits are recently deploying some police, for instances, to Trinidad and Tobago. They sort of look at that as a jumping off point for them. This is a constant theme when we engaged the Europeans.

Now we can certainly say that, since most of the Afghan heroin is headed for Europe, we are putting a huge investment in Afghanistan to stop that. They should be more focused on our hemisphere, but the Dutch and the U.K. do a pretty good job in the Eastern Caribbean.

Mr. ENGEL. Well, thank you. I know I said my last question, but I will try to sneak one more in because I wanted to talk to you about Colombia. We have been talking a lot about Colombia here, and you had mentioned that we and the Colombians are stepping up the aerial spraying programs. I am wondering if you could give us some more specifics about that.

Ambassador PATTERSON. Mr. Engel, I think it is a disappointment to all of us that the fields have become more disbursed and

harder to reach with our spray program, and so we have to keep the pressure on with the spray program.

I fear, perhaps, that we have underestimated the Colombian crop. There may be more out there than we anticipated, but we are going to have to move aggressively and efficiently to get at some of these distant fields as best we can, because to eliminate it at the source is still by far the most cost effective way of attacking the narcotics program.

Mr. ENGEL. Thank you, and thank you, Mr. Chairman.

Mr. WELLER. Thank you. Madame Secretary, Mr. Engel raised what I think is a really important issue. Many of us have expressed concern about what we perceived to be a somewhat disappointing involvement by our European allies in the counternarcotics efforts, particularly in the Andean region.

It is my understanding, and I have seen numbers as high as 40 percent of the cocaine produced in Colombia and the Andean region reaches Europe. What percent of the counternarcotics effort that is currently underway in Colombia and the Andean region is paid for and financed by our European friends?

Ambassador PATTERSON. I will get you a more precise figure, but the bottom line is not much.

Mr. WELLER. Zero?

Ambassador PATTERSON. No, not zero.

Mr. WELLER. 1 percent?

Ambassador PATTERSON. Maybe 10, just pulling a figure out of my head.

Mr. WELLER. So they receive 40 percent of the cocaine, but they might be providing 10 percent of the effort for counternarcotics?

Ambassador PATTERSON. Maybe that is high. I mean, what they would say is—and they probably would not like it to be described as counternarcotics. What they would do is rural development, or health projects, or for internally displaced persons. So in terms of overall effort, they may give some money, but it is not directly related to counternarcotics?

Mr. WELLER. So it is really unrelated to any of the counternarcotics efforts?

Ambassador PATTERSON. No.

Mr. WELLER. Okay. Just some cleanup questions here. Your office recently told Chairman Hyde on March 14 in a letter that you are replacing lost spray planes in Colombia by taking money from existing police operations and maintenance programs, and it was about a \$7.4-million reprogram. Isn't that just robbing Peter to pay Paul, and not fixing the long term problems and the issue of lost aircraft?

Ambassador PATTERSON. Well, again, Mr. Weller, a lot of this is simply driven by costs. We needed to maintain the spray program at full bore as it were, and so we put in this reprogramming request to buy more air tractors. I think \$7-million to buy three of them.

Yes, it will come out of other Colombian programs, and the reason the police program—and this is not a good answer, and I understand that. They are much further along in managing their own operations and maintenance, and their own training programs than the army is.

We need in my view, and I think most people in the interagency would agree, that if we don't maintain the spray program, we are going to have a resurgence. We need to beat it back while we have the chance to do so.

Mr. WELLER. Madam Secretary, Article 98 has been an issue out there, and as you work in your efforts to improve the quality and the results from our counternarcotics program, I would note that 12 out of 21 nations in Latin America have been suspended from United States military training and aid programs because of the International Criminal Court rule, the Article 98 issue, and that includes Brazil, Peru, Costa Rica, Ecuador, Bolivia, Uruguay, and most recently Mexico.

We are seeing increasing flows of illegal drugs and human trafficking across Ecuador's border from Colombia, and since Ecuador has not signed an Article 98 agreement with the United States, central equipment and training is not available to them. Is this compromising the quality of narcotics programs?

Ambassador PATTERSON. Mr. Chairman, this is a tough one. Let me first say that counternarcotics spending is exempted from both forms of sanctions that come into play when you don't have an Article 98.

I have been able to continue with my programs in Ecuador and Mexico, and other places, that are going to be hit with Article 98 sanctions. I would only ask that you address—I mean, I am not trying to duck your question. Sure, it is going to have an impact.

There are useful things being done in Ecuador, Mexico, and Brazil that are going to be affected by this. I was briefed last week in Mexico about some very promising justice programs that are going to be affected by this.

So it is going to have an impact, but I can assure you that Assistant Secretary Shannon and other decision makers are very much involved in looking at this.

Mr. WELLER. Of course, in many cases the military is involved in counternarcotics efforts with our allies, and the effort against narcotics. I would note in the Defense Department, and the new Adrenal Defense Review, called for an unlinking of military training programs from the ICC issue. What is the official position of the State Department on this question?

Ambassador PATTERSON. I am not quite sure, Mr. Chairman. I know that there has been a lot of discussion of this, but I am not sure. Our official position is that if you don't have an Article 98 agreement, you are excluded from these programs as per the law. That is what the law provides.

Mr. WELLER. The issue of Haiti came up earlier, an issue of great concern, and many of us did have the opportunity to meet with the newly-elected President of Haiti, and obviously he had great election results, and considering the number of candidates, were pretty impressive.

We all wish him well, and want him to be supported, but Haiti has requested trade concessions from the United States as part of a package of assistance, essentially removing tariff barriers to products made in Haiti entering the United States.

Clearly, 600,000 to a million Haitians who depend on the Dominican economy benefit from DR-CAFTA. but for the rest, the Presi-

dent has urged that we move a package, and there is legislation that is being considered in Ways and Means, as well as Senate Finance.

What is your view from the State Department perspective about the importance of making some trade concessions which would be helpful for a track investment, particularly in the textile sector in Haiti?

If you do support that, do you believe that should also be coupled with assisting some of the other nations, such as Sri Lanka, that have asked for similar help as a result of the Tsunami recovery?

Ambassador PATTERSON. Mr. Weller, I am not qualified to make an observation on that. I am way out of my lane here if I respond to that. So, just excuse me.

Mr. WELLER. Okay. We would appreciate the opinion from the State Department.

Ambassador PATTERSON. From the regional bureau.

Mr. WELLER. If you are not the appropriate person, I would appreciate that.

Ambassador PATTERSON. Thank you.

Mr. WELLER. You have been very generous with your time. Do we have any second round of questions from anyone? Mr. Delahunt?

Mr. DELAHUNT. Yes, thank you, Mr. Chairman. I appreciate your attempt to answer on the Article 98. I think I just want to make it a matter of record that I, of course, support the ICC and the statute, and I think many of us predicted exactly what is unfolding, in terms of our relationships with foreign militaries.

Just to add to that observation, Mr. Chairman, I think it is interesting given the concern that some Members on this Committee have expressed about China and its developing relationships in Latin America. I read recently where General Braddock, the head of SOUTHCOM, has indicated on the record in testimony in front of the Senate that the Chinese are now developing relationships with those 11 or 12 Latin American nations, military to military.

I think we should take note of that, and I am sure that the reality has set in with our own Department of State that this policy had better change quickly, or we will find ourselves even more isolated, in terms of Latin America, than we currently are.

I have always believed, and you talked about the production, and obviously that would be an ideal to be able to eliminate the production itself, the growing and the cultivation.

But the reality is, Madam Secretary, it would appear—and I know there is a fudge factor, there has to be in terms of estimates—that replanting is either exceeding or keeping up, or slightly behind eradication. Is that a fair statement?

Ambassador PATTERSON. I think so. What we have seen is that the replanting is certainly worse than we would have anticipated.

Mr. DELAHUNT. Okay. I mean, the point is that we are making the effort, and we are giving it a try, but this is very frustrating. And I think we have got to take some lessons from it. I would suggest, and this is not just Latin America, but in terms of our focus, that it ought to be shifting toward the money laundering internationally that is allowing the incredible profits that these drug traffickers are receiving.

We just need to have an international convention that once and for all deals with secrecy, and these off-shore financial centers. They are wreaking havoc, and I would suggest, respectfully, and I am sure that something is happening within the Administration. I know that there are good efforts on the part of the DEA to deal with it.

But we really ought to rethink our narcotics strategy. You know, the old cliché about follow the money, and in the end that is it, and you are clear to respond, Mr. Braun. I just saw Chairman Burton coming back, and so I would like to pose a question to you.

We have not talked about Cuba, and I think we should. I know that we have ad hoc efforts, or at least we have had them in the past with Cuba, in terms of interdiction. They have been successful, and the feedback that I receive from DEA agents in the field is that the Cubans do a pretty good job in terms of cooperation when called upon, and are apparently corruption-free in terms of the issue.

I would be interested in you commenting upon our intermittent efforts with the Cubans as far as coming up that corridor in the eastern Caribbean. Thank you.

Mr. BRAUN. Well, let me just discuss very quickly the first item, money laundering, and as you said, "Follow the money." When Administrator Karen Tandy took over almost 3 years ago, she came up with basically seven vision items.

The first was to "follow the money." The DEA for many years has done a great job of following the drugs, and taking those drugs off and making the seizures, and gathering evidence, et cetera.

Where we were lacking was in our ability to follow the money back downstream or downrange. I can assure you that the Administrator has directed and mandated that every single investigation opened by DEA has a financial aspect of that investigation.

Consequently, in just the course of about a year, or excuse me, just about over the course of 2 years, our seizures have gone from about under \$500-million to \$1.9-billion last year. So I will admit that it is a drop in the bucket, but we are making significant progress.

Mr. DELAHUNT. Well, that is welcome news, and I would commend the DEA for that effort. Let us start closing down some of these off-shore financial centers. Obviously that is easier said than done, but please, and on Cuba.

Mr. BRAUN. On Cuba, I believe you hit it right on the head. That when we need to cooperate with the Cubans, with the Cuban Government with respect to—typically it comes in the form of air drops off of Cuba.

I can't remember, sir, if we are dealing with their coast guard or their national guard, but they have been responsive in the past. With respect to corruption free, we could provide you with some information in a different forum perhaps.

Mr. BURTON [presiding]. You and I will have to talk about some of that later, Mr. Delahunt. I want to thank you very much for being so patient with us today, especially with the votes and everything.

If you could send us the information that we asked for, we would really appreciate it. We want to stay as up to date as possible on

what is going on in Colombia and the entire Andean region. So we really appreciate it. Thank you very much, and we will now go to our next panel.

The next panel consists of Ambassador James Mack. He assumed the position of executive secretary of the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS) in September 2004.

He began his work in multilateral coordination in 2002 as coordinator of the Inter-American Observatory on Drugs. Before joining the OAS, Ambassador Mack served as the principal deputy assistant secretary in the State Department's Bureau of International Narcotics and Law Enforcement Affairs. He also led the inter-agency task force that coordinated United States anti-narcotics assistance to Plan Colombia and other countries in the Andean region.

Joy Olson is the executive director of the Washington Office on Latin America. She is a recognized authority on human rights in Latin America, and has directed nongovernmental human rights organizations for more than decade. Would you both rise so that I can swear you in, please.

[Witnesses sworn.]

Mr. BURTON. I think we will start with you, Mr. Mack, since you are a former Ambassador, and we would like to hear your testimony, and then we will go to questions after we hear from Ms. Olson.

TESTIMONY OF THE HONORABLE JAMES F. MACK, EXECUTIVE SECRETARY, INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION, ORGANIZATION OF AMERICAN STATES

Ambassador MACK. Thank you, Mr. Chairman, and distinguished Members of the Subcommittee. I am very pleased for this opportunity to appear before you on behalf of the Inter-American Drug Abuse Control Commission, which is a specialized agency of the Organization of American States.

I will discuss my organization's role in promoting international anti-drug cooperation in the western hemisphere. My organization is best known by its acronym, CICAD, and it consists of a staff of about 40 full-time professionals of 15 nationalities.

We are based in Washington, but we run programs all over the region. We have a board of directors called the CICAD Commission, consisting of one representative per country of the 34 active member states of the Organization of American States.

The universal participation of active OAS member states in CICAD today demonstrates their recognition that the drug problem is a hemispheric challenge. That dealing with it is the shared responsibility of all OAS member states, and they can accomplish a lot more by working together than by going their own separate ways.

Very briefly, I want to cover some key CICAD programs, and then I will go to the main focus of my presentation. We work with member states to help prepare their national anti-drug plans. We help them establish drug abuse prevention programs in middle schools and high schools.

We help them develop standards for drug treatment. We have helped many schools of public health, nursing, medicine, education, and introduced into their curriculum the issue of drugs.

We help countries accurately assess drug consumption in their countries, and with strong support from the Government of Spain, we are helping countries decentralize many of their drug programs to their regions and municipalities, particularly in the area of prevention.

We are partnering with private industry, USAID, and other national organizations to promote sustainable tree crop development for small farmers in the Andean countries as an alternative to production of illicit drugs.

We promote cooperation to combat drug smuggling and provide training to customs officials in that area. We help member states set up systems to control the importation of chemicals that are used to manufacture illegal drugs.

We help train port security personnel to detect drugs in ships and containers. We run a counterdrug intelligence school for police in Lima, Peru, for Andean drug enforcement officials.

We train judges and prosecutors to try money laundering cases, and we have helped member states set up specialized financial investigative units in their banking systems to detect suspicious transactions.

And recently, at the request of the Colombian Government, CICAD sponsored an international team of very well known scientists, who published in April 2005 the results of the first phase of their study of the impact of aerial spraying of coca in Colombia on human health and the environment.

And coming up in May, in partnership with the United Nations Office of Drugs and Crime, we are going to publish the results of the first ever comparative study of drug use by high school students in all of South America.

Today, I want to talk with you about a particular CICAD program, which is called the Multilateral Evaluation Mechanism (MEM), which I believe is taking a unique approach to improve the capacity and strengthen the will of Western Hemisphere nations to deal with drug problems.

The MEM is the hemisphere's standardized instrument to periodically measure progress by the member states in the hemisphere in all aspects of the drug problem. The reason that we have this instrument is quite simple.

In the late 1990s, OAS member states came to realize that they could not know what future steps they needed to take in drug control unless they had a means of assessing the strengths and weaknesses of their current anti-drug programs.

They needed an evaluation instrument that was multilateral and not unilateral; collegial and not adversarial; and in which all the member states felt they had a stake.

The first national evaluations were carried out in all member states in 2001, the second round concluded in 2003, and the third in 2005. During the first year of the evaluation cycle, every member state is evaluated; and in the second year, every country's progress in complying or in implementing the recommendations from the evaluation is assessed.

The evaluations are drafted by a group of experts, one selected by each of our 34 member states. They come from a variety of backgrounds. They participate in evaluations of all member states, except their own.

Each state completes a standardized questionnaire, based on a series of indicators and benchmarks agreed to by all the member states. These include such metrics as the existence of national drug control plans, drug consumption and seizure statistics, area of illegal crops under cultivation, et cetera.

The MEM experts examine the data submitted by each country. They make judgments on the progress or shortcomings, and then they draft evaluation reports based on that information, and on subsequent dialogue with the country being evaluated.

Governments are given the opportunity to review and comment on the drafts, but the drafts are ultimately approved by the commission, not the county being evaluated. You can find the reports on our Web site. Here is an example of a report, on Mexivo. I also have them on the United States, Bolivia, Peru. I have them on all the countries if you would like them, Mr. Chair.

The process does not impose sanctions, but the evaluation reports do call upon member states to address the problems that are identified. And the process provides member states with a very exhaustive assessment of how they are progressing on all aspects of the drug problem.

The information contained helps their policy makers then design the most effective policies and programs which respond to a particular country's needs. We believe that the MEM process has stimulated improvements in drug control programs, as well as increased coordination and cooperation in the prevention of drugs in the hemisphere.

Here are some specific results of MEM evaluations and recommendations. Almost all of the member states now have functioning national anti-drug plans. They now have a functioning equivalent of a national drug commission to coordinate their implementation.

A specific example is Ecuador. With the help of my organization, Ecuador updated its anti-money laundering legislation, and now we are helping Ecuador establish a specialized financial intelligence unit to spot suspicious financial transactions.

As a result of another MEM recommendation, CICAD is helping MEM member states adopt standards of care in drug treatment. We are also implementing standard methodologies for countries to assess their internal drug consumption, which allows for a comparison among the states.

Mr. BURTON. Pardon me, Ambassador. If you could summarize, and I would not interrupt you, except that we are going to have a series of five votes in about 10 minutes, and I want to make sure that we get both of your testimonies.

Ambassador MACK. Yes, sir, I will wrap it up. First of all, 90 percent compliance in our recommendations from the first round; and 70 percent compliance in the second round; and I suspect as time goes on that figure will go up.

So countries are complying with the recommendations and improving their capacity. It is a mechanism that countries have de-

signed themselves. They have bought into the process, and they feel that they have a stake in the success and I believe it should be a central pillar in strengthening capacities and commitments of the member states of the western hemisphere to deal with the drug challenge. Thank you very much, Mr. Chair.

[The prepared statement of Mr. Mack follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES F. MACK, EXECUTIVE SECRETARY,
INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION, ORGANIZATION OF AMERICAN STATES

Thank you Mr. Chairman and Good morning.

INTRODUCTION:

I am very pleased to have the opportunity to appear before this sub-committee on behalf of the Inter-American Drug Abuse Control Commission, a specialized agency of the Organization of American States, to discuss my organization's role in promoting international drug cooperation in the Western Hemisphere. The Inter-American Drug Abuse Control Commission, best known by its acronym "CICAD", was established in 1986 in response to a mandate by the OAS General Assembly. CICAD consists a staff of 40 full time professionals from 15 countries based at OAS headquarters here in Washington, and a Commission (or board of directors) with representatives from all 34 OAS member states, which meets twice a year to set policy for the organization.

The universal participation of active OAS member states in CICAD demonstrates their recognition that the problem of drugs is a hemispheric challenge; that dealing with it is the shared responsibility of all OAS member states; and that they can accomplish more by working together rather than by going their own separate ways. CICAD's main objectives are:

- To serve as the Western Hemisphere's policy forum on all aspects of the drug problem;
- To foster multilateral cooperation on drug issues in the Americas;
- To carry out action programs to strengthen the capacity of its member states to prevent and treat drug abuse, and to combat drug production, trafficking, and money laundering;
- To promote drug-related research, information exchange, and specialized training; and
- To develop and recommend to its member states model drug-related legislation, common standards for drug treatment and for the control of pharmaceuticals and of chemicals that can be used to produce illicit drugs, and standardized methodologies for measuring drug consumption.

CICAD PROGRAMS:

CICAD programs cover almost every aspect of the drug problem. Here are some examples: We help member states prepare their national anti-drug plans, establish drug abuse prevention programs in schools, and develop standards for drug treatment. With assistance from CICAD, many schools of nursing, public health, medicine and education throughout the Western Hemisphere are introducing drug themes into their core curricula and are carrying out drug-related research. CICAD programs help member states accurately survey drug consumption among their populations. With strong support from Spain, CICAD is helping the Andean countries decentralize many of their drug abuse programs (especially in the area of prevention) to the provincial and municipal level. In partnership with private industry, USAID and international organizations, CICAD is promoting sustainable cacao and tree crop development for small farmers as an alternative to illicit crops in Bolivia, Peru, Ecuador and Colombia. CICAD promotes maritime cooperation against drug smuggling, helps member states set up systems to control the importation of chemicals that can be used in the manufacture of illicit drugs, and trains port security personnel to detect drugs secreted in ships and containers. It runs a drug intelligence school in Lima, Peru for law enforcement officers from the Andean region. CICAD helps member states prepare legislation on drug-control. We train judges and prosecutors to try money laundering cases and help member states set up specialized financial intelligence units in their banking systems to detect suspicious transactions. At the request of the Colombian Government, a CICAD-sponsored

international team of scientists published in April 2005 the results of the first phase of its research of the impact of aerial spraying of coca in Colombia on human health and the environment. In May, CICAD, in partnership with the United Nations Office of Drugs and Crime, will publish the results of the first ever comparative study of drug use by high school students in 10 South American countries.

CICAD receives direct financial assistance principally from the United States, Canada, Spain, France, Mexico, and the Inter-American Development Bank. Brazil and Chile, under agreements with CICAD, are carrying out substantial "horizontal" assistance programs in drug research and drug abuse prevention training for other Latin American countries. In addition, CICAD has established a fruitful partnership with the United Nations Office on Drugs and Crime to carry out a number of programs in the Americas.

MEM BASIC INFORMATION:

But today, I want to talk to you about a particular CICAD program, the Multilateral Evaluation Mechanism (MEM), which I believe is taking a unique approach to improve the capacity and strengthen the will of Western Hemisphere nations to deal with the drug problem. The MEM is the western hemisphere's standardized instrument to periodically measure progress, by member states individually, and by the hemisphere as a whole, in all aspects of the drug problem.

The reason for such an instrument is quite simple. In the late 1990s, OAS Member states came to realize that they could not know what future steps they needed to take in drug control unless they had a way to assess their current situation. They wanted a means of measuring, in a comprehensive and systematic way, their individual and collective efforts in drug control, the strengths and weaknesses of their drug programs, and where they should direct their future efforts to address those detected weaknesses. They also wanted an evaluation instrument that was multilateral, not unilateral, collegial, not adversarial, in which all member states participate in the evaluation of all other member states in a constructive, supportive way.

So the Western Hemisphere's Heads of State and Government, meeting at the 1998 Summit of the Americas in Santiago, Chile, issued a mandate to the OAS (specifically CICAD) to establish just such an instrument. After developing the measurement criteria or indicators, the first national evaluations were completed and made public in 2001, the second in 2003 and the third in 2005.

During the first year of the two year evaluation cycle, every member state is evaluated. In the second, each country's progress implementing the recommendations from the previous year's evaluation is assessed.

WHO DRAFTS THESE EVALUATIONS?

The MEM evaluations of individual countries and of the hemisphere as a whole are drafted by a Governmental Expert Group of Governmental Experts, one selected by each of CICAD's 34 member states. The experts participate in the evaluations of all member states except their own.

HOW DOES THE MEM EVALUATION PROCESS WORK?

Each member state first completes a standardized questionnaire based on a series of indicators or benchmarks agreed to by all member states. These include metrics such as the existence of national drug control plans, drug consumption and drug seizure statistics, ratification and accession to international treaties, areas of illicit crops under cultivation, persons charged and convicted of drug trafficking, legal and judicial regimes to deal with money laundering, arms control and diversion of chemical and pharmaceutical products for illicit use.

The MEM experts examine the data submitted by each country, make judgments on national progress or shortcomings, and then draft the evaluation reports based on this information, and on subsequent dialogue with each country. All MEM reports include recommendations specific to each country. The evaluation mechanism is designed to maximize participation and transparency. Governments are given the opportunity to review and comment on preliminary evaluation drafts. Reports, including recommendations, are approved by the CICAD Commission, and then published. In fact you can find them on our OAS/CICAD website (show example).

The process does not impose sanctions. But the evaluation reports do call upon member states to address problems that are identified.

WHY HAS THE MEM BEEN USEFUL?

The MEM process has stimulated improvements in drug control programs, as well as increased coordination and cooperation in the drug field among the OAS member states.

Here are some specific results of MEM evaluations and MEM recommendations. Most CICAD member states now have national anti-drug plans, and the equivalent of national drug commissions to coordinate their implementation. The Government of Ecuador, with the help of CICAD, updated its anti-money-laundering legislation, which was recently approved by the Ecuadorian Congress. Based on Ecuador's new law, CICAD is now helping Ecuador establish a specialized financial intelligence Unit training to spot suspicious financial transactions. As a result of another MEM recommendation, CICAD is helping many member states adopt standards of care in their drug treatment programs.

RECOMMENDATIONS AND ASSISTANCE FOR THEIR IMPLEMENTATION:

I want to talk briefly about the recommendations made to member states, since they lie at the heart of the MEM process. As I noted earlier, the objectives of these recommendations are to identify the strengths, weaknesses, progress and setbacks in each OAS member state and to help fine tune their policies and programs to respond in a more effective manner to the drug problem. If countries require help to correct any gaps or deficiencies identified by the MEM through its recommendations, they are encouraged to seek assistance from other member states and from CICAD in areas which they consider a priority.

Since the outset of the MEM, CICAD has invested nearly \$ 2 million in projects throughout the Hemisphere in response to requests by member states as a result of the MEM process. These projects include the creation of drug information systems, the drafting of national anti-drug plans, the adoption of drug trafficking control measures and the collection of statistics on drug consumption through scientific surveys.

Member state responses to MEM recommendations have been very positive. To date, over 90 % of recommendations from the First Evaluation Round (2001), and over 70% from the Second Round (2003) have been completed.

In practical terms, this high level of compliance by CICAD member states demonstrates their clear commitment to the MEM, and to the principles of shared responsibility and multilateral cooperation.

INTER-GOVERNMENTAL WORKING GROUP

An important feature of the MEM is its constant self-evaluation and adaptation to the ever-changing facets and challenges presented by the drug problem.

At the outset of each new MEM evaluation round, representatives of all CICAD member states meet in an Inter-Governmental Working Group (IWG) to evaluate and update the indicators, the questions and the process itself. Such a meeting took place one month ago in Washington. Its findings and suggestions on how to improve the MEM will be presented in May to the full CICAD Commission for approval.

One of the main proposed changes is to extend the duration of the full MEM evaluation (which includes the initial country evaluation reports and the follow up reports on the implementation of recommendations) from 2 to 3 years. This would give countries more time to implement recommendations and show general progress. One new indicator being proposed for the next evaluation round would measure illegal internet sales of pharmaceutical drugs. Another would measure member state capacity to curb maritime narcotrafficking.

THE BENEFITS OF THE MEM PROCESS:

The MEM provides CICAD member states with an exhaustive assessment of how they are progressing in all aspects of the drug problem, both individually as well as on a collective hemispheric level. The information contained in the reports helps policy makers to then design the most effective policies and programs which respond to the priority needs of their country.

In this sense, the MEM process serves as a blueprint and stimulus for corrective action as well as a means for countries to request assistance from CICAD to make the needed changes.

Despite great disparities in resources available to individual CICAD member states, almost 100% of them have seen fit to participate in the MEM evaluation process. This is a significant achievement. The key reason the MEM enjoys such universal support from member states is that it is a mechanism that they them-

selves have designed, in which they themselves participate, and in whose success they themselves have a stake.

I would like to close by underscoring that the CICAD's Multilateral Evaluation Mechanism has proven itself to be one of the central pillars in strengthening capacities and commitment of the nations of the Americas to deal with the drug challenge, as well as encouraging more effective cooperation among them.

Thank You.

Mr. BURTON. Thank you, Mr. Ambassador, and I apologize. I did not mean to interrupt you, except that I don't want you to be cut off when we have a bunch of votes. Ms. Olson.

**TESTIMONY OF MS. JOY OLSON, EXECUTIVE DIRECTOR,
WASHINGTON OFFICE ON LATIN AMERICA**

Ms. OLSON. Thank you, Mr. Chairman, for this opportunity to speak before you today. I would particularly like to thank you because I know that much of what I am going to say, you probably won't agree with. And I really respect the fact that you have nonetheless invited WOLA to testify today.

We believe that the United States drug policy in Latin America has been ineffective at achieving its own goals, and has generated much collateral damage. There was a lot of discussion earlier this morning about success on public security in Colombia, but we think that success on public security and success on drug policy are actually two different things, and you need to think about them separately.

A more effective and less harmful approach to a drug policy in the region is possible. My comments are going to be based on what we learned from a 3-year study, which produced this book, *Drugs in Democracy in Latin America*.

And an additional report that I would request be submitted for the record, along with my written testimony, and that report is entitled, "Are We There Yet? Measuring Progress in the U.S. War on Drugs in Latin America."

Let us look at this year's INCSR and let us start there. It tells us that records are being set. It says that cocaine seizures in the western hemisphere set new records for 2005, and Colombia had a record year for eradication, interdiction, and extradition.

These are good things, but do records mean progress. I would say no. They tell us that we have been very busy and that we have worked hard. In 2004, we sprayed 130,000 hectares of coca in Colombia, but the total area under cultivation remained statistically unchanged.

While new numbers for Colombia cultivation have not been released, it appears that cultivation in the Andes in 2005 will be at best 3 percent below what it was in 2000 when Plan Colombia started.

And this may not even reflect a reduction in coca production because of the increasing yields that appear to be taking place throughout the region. Now let us look at the collateral damage that has been caused by counterdrug policies.

The humanitarian side of our policy approach, alternative development, has lagged woefully behind the enforcement side. Aerial fumigation destroys food crops as well as coca, and coca is produced mostly by small farmers. Every time we spray and displace small farmers, without providing them with some sort of alternative, we

leave families without food and drive them from subsistence to desperation.

Their alternatives are moving to a new plot of land, joining an illegal armed group, or migrating. We have made poverty and forced migration a standard part of United States policy.

Colombia now has the second largest internal displaced population in the entire world and an estimated 47,000 people were displaced in 2005 by fumigation. We also believe that the current policy is investing in the wrong institutions.

Money laundering, corruption, and violence, go hand-in-hand with the drug trade. These problems are best addressed by criminal investigations and prosecutions, backed by serious political will.

While the United States has invested in justice reform and specialized police units, our primary investment has been through regional militaries. The use of the military in Latin America can provide short term results, but lasting impacts require dismantling trafficking networks.

Only police and judicial institutions can do this. So we would argue that we need to get back to looking at reform of police and judicial institutions. There is also a negative impact on civil liberties in the region.

United States drug policy has promoted harsh anti-drug laws that have resulted in the creation of procedures that greatly limit due process. Ecuador and Bolivia adopted United States backed legislation in which the burden of proof for conviction of drug offenders was so low that local human rights lawyers complained that defendants were forced to prove their innocence.

Harsh mandatory minimum sentencing laws have also spread throughout the region, giving the same sentences to drug mules and major traffickers. United States counterdrug agreements with countries have promoted a real body count mentality that does not produce useful results.

For example, the United States counterdrug agreement with Ecuador last year required a 12 percent increase in arrests. Well, who are they going to arrest with that kind of a goal? Some guy carrying coca leaves on his back, or a major drug trafficker? Clearly, they are going to go after the lowest hanging fruit.

In conclusion, United States drug policy in the region is plagued by short term thinking, leading to tactical victories that often make the problem worse and create collateral damage.

Every time we are "successful" in eradicating or interdicting drugs, the problem moves elsewhere. Every time we declare victory, some part of Latin America loses. So what should we do to reduce the damage?

First, we need to think longer term. We have to get out of the quick fix mentality. Congress needs to commit to a long term investment, with a policy approach designed for the next 20 years. We must stop thinking from one budget year to the next and stop the body count.

Second, we need to rethink the indicators used, the indicators of success. We need to find different indicators that link international and domestic drug policy, and indicators that demonstrate how what we do internationally impacts drug use in the United States.

Third, we need to reduce harm at all levels. While there is always going to be some harm produced by drug trafficking certainly, and by anti-drug strategies, we should base our policy choices on what is truly effective, and creates the least collateral damage.

Fourth, we need to establish an evidence-based approach. There are studies on the international and domestic side that show what works. Cooperative eradication has a more lasting impact than forced eradication. Development needs to come before eradication for success. And drug treatment is the most effective policy of all.

Fifth, we need to work better in consultation with governments in the region. Instead of holding a big stick over Latin Americans, and threatening to cut off their trade status if they don't live up to agreements, drug agreements with the United States, we should develop a more cooperative approach. This would go a long way toward remedying hostile regional feelings toward the United States.

And, sixth, I would argue that we should slaughter the sacred cow. In the past 3 years, I have had countless conversations with United States policy makers about drug policy. There is overwhelming sentiment that current policy does not work.

But that it is a sacred cow and that it is political suicide to challenge the policy, or to think outside the box. I have also traveled extensively in the United States over the past year, giving public presentations on this issue, and not one person has stood up and said to me why are you questioning this policy because it is so successful.

There is tremendous public sentiment that current policy is not working. There is political space for change. I think that it is time to get all of the policy makers who question the current approach together in one room and let them slaughter the sacred cow.

We must explore policies in the United States and in Latin America that can be more effective in mitigating the extreme harm caused by drugs and the war against them. Thank you, sir.

[The prepared statement of Ms. Olson follows:]

PREPARED STATEMENT OF MS. JOY OLSON, EXECUTIVE DIRECTOR, WASHINGTON
OFFICE ON LATIN AMERICA

ADDICTED TO FAILURE

The Washington Office on Latin America (WOLA) is a non-governmental organization that promotes human rights, democracy and social justice in Latin America and in U.S. foreign policy toward the region. WOLA has been monitoring U.S. drug policy in Latin America since the early 1980s. Most recently, with the help of about 20 researchers throughout the hemisphere, we spent three years investigating the impact of U.S. drug policy on human rights and democracy in Latin America. We appreciate the opportunity to testify before the Subcommittee.

We believe that U.S. drug policy in Latin America has been ineffective at achieving its own goals and has generated much collateral damage. In the focus on supply-side solutions, we have lost sight of the fundamental need—to reduce drug consumption and the associated damage to society. We have perpetuated the illusion that supply-control efforts deliver the most “bang for the buck” as a way to shrink illicit drug consumption. We have developed a body count mentality for measuring success, making much ado about indicators that gauge how active we are, but say very little about what progress we’re making. Even worse, such indicators (hectares eradicated, drugs seized, arrests made, etc.) are touted as major victories when they may just as easily be interpreted as evidence of the drug trade’s expansion and adaptability.

The metaphors for imminent success have changed over the years—light at the end of the tunnel, turning the corner, reaching the tipping point—but the problem seems, if anything, to have become worse. Just last week, in arguing for augmenting

U.S. military aid to Colombia, a prominent member of Congress reminded his colleagues that “the streets of America are awash in drugs.” Unfortunately, this reminder was probably not necessary. The plain fact is that the main illicit drugs targeted by U.S. efforts in Latin America—cocaine and heroin—remain readily available at near-record low prices. The supply-control strategies into which we have poured so many billions of dollars have patently failed to shrink drug availability.

The U.S. needs a new approach to drug policy because failure means continued unacceptably high rates of drug addiction in the U.S., and a corrosive mix of spreading corruption and violence in drug-producing and transit countries, as well as increased addiction. We believe that the so-called “war on drugs” is not winnable. But with a fundamentally different policy approach, aimed at reducing the entire range of harms caused by illicit drug consumption—not just reducing use prevalence rates—the U.S. can devise policies that reduce drug-related harms and avoid many of the harms caused by the war on drugs as we have waged it for the last quarter-century. Drug control resources are limited, and policy makers are responsible for investing in the most cost-effective approaches to reducing drug consumption and the drug markets that fuel corruption and violence. Despite years of trying, there is little evidence that the supply-side approaches in which the U.S. has invested so heavily can make a significant contribution. On the other hand, there is a substantial and growing body of evidence that strategies such as treatment are cost-effective in reducing both drug consumption and its related harms, including crime and the spread of diseases such as HIV/AIDS. It is long past time for policymakers to shed strategies that achieve very little and cause significant collateral damage, and refocus our limited drug control resources on strategies that work.

INCSR and Standards of Measure

I would like to comment on the International Narcotics Control Strategy Report (INCSR) in the context of what we learned in our three-year study, which produced the book, *Drugs and Democracy in Latin America*, and an additional report, that I request be submitted for the record, entitled *Are We There Yet? Measuring Progress in the U.S. War on Drugs in Latin America*.

The first thing to ask about the INCSR is what measures are applied, and what do they tell us about drug control progress? Two of the principal measures used in the INCSR are hectares eradicated and drugs seized. For example, this year’s INCSR asserts that “Cocaine seizures in the Western hemisphere set new records in 2005,” and that “Colombia had a record year in 2005 for eradication, interdiction, and extradition.”

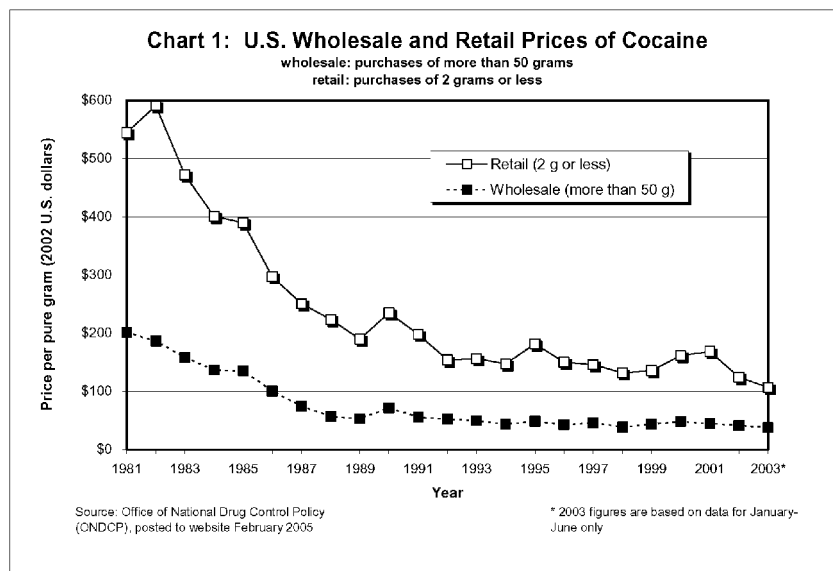
Records are being set. We must be making progress, right? Instead, the story these figures tell is that we are trying hard and that we have been very busy. But, activity and success are two different things, and these figures cannot measure success.

The theory behind supply-control activities such as drug crop eradication is that reduced drug availability will drive up U.S. street prices and thereby discourage consumption. Within this framework, the more pertinent measures of success have to do with availability, prices, and consumption.

In January, the U.S. Justice Department reported that “Cocaine is widely available throughout most of the nation, and cocaine supplies are relatively stable at levels sufficient to meet current user demand.”

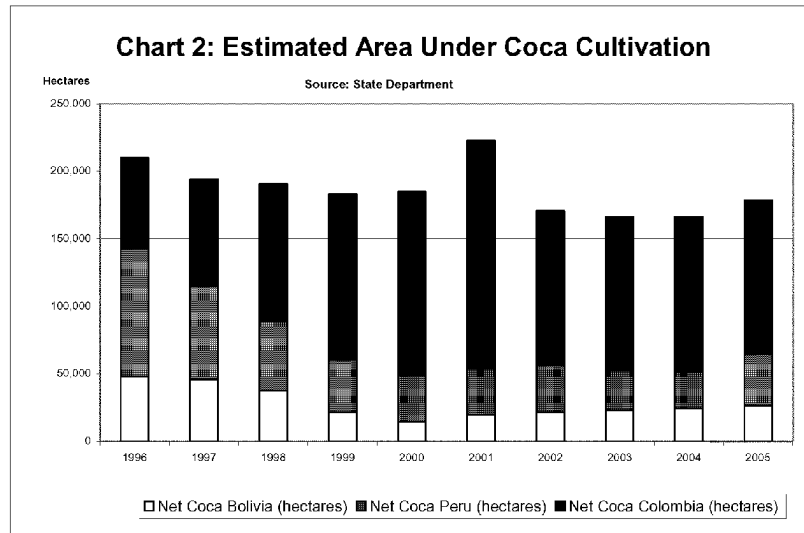
Recent claims by the Office of National Drug Control Policy (ONDCP) that cocaine’s retail price was on the rise from February through September 2005 have been used to suggest that the Plan Colombia and associated supply-control activities have at last created supply scarcities and are driving up prices. But these claims must be regarded with considerable skepticism. First, ONDCP has offered no explanation of the methods used to generate the new price estimates, even though the charts that have been publicized are obviously at odds with the price and purity time series produced by RAND for ONDCP and posted on ONDCP’s website in February 2005. For example, RAND’s estimates show cocaine’s retail price per pure gram to have been about \$94 in the second quarter of 2003. ONDCP’s new chart, by contrast, begins in July 2003, showing cocaine’s retail price to be roughly \$210. Obviously, cocaine’s retail price did not double from June to July 2003, meaning that the new ONDCP results are substantially different from RAND results. But whereas the RAND-produced price and purity estimates are accompanied by exhaustive descriptions of the methods and data sources used, the new ONDCP charts provide no description of how the estimates were arrived at. With such dramatic discrepancies between the sets of estimates, the new figures cannot be considered credible until ONDCP describes in full the methods used and opens their findings to expert scrutiny.

Second, even if the new ONDCP figures are taken at face value, they beg the question as to why this particular price spike (if genuine) should be expected to endure. Indeed, the chart that was provided to the media by ONDCP last November shows the much-touted price increase as having come on the heels of a significant price decrease. As revealed in the RAND estimates, which go back to 1981 (see Chart 1), the long-term price trend has been fairly steadily downward, punctuated by occasional upward spikes. Even when the price spikes have been considerably larger than the Fall 2005 fluctuation claimed by ONDCP (as in 1990 and 1995), they have been ephemeral and followed by continuing prices declines. In short, history suggests that not too much should be made of the kind of fluctuation ONDCP has been claiming recently, especially since the RAND estimates showed prices to have been at their all-times lows at mid-year 2003.



The latest estimates on prevalence of cocaine use and dependence are not encouraging either. The Bush administration has claimed great success in reducing levels of illicit drug use among youth, but the best that can be said of cocaine use rates is that they have remained relatively stable, based on the Monitoring the Future school-based survey. Other government figures are even less encouraging. The federal government's National Survey on Drug Use and Health (NSDUH), a household survey, shows a 33 percent increase between 2000 and 2004 in the number of first-time cocaine users under the age of 18. Also according to the NSDUH, the number of Americans considered to be abusing or dependent on cocaine rose from 1.488 million in 2002 to 1.571 million in 2004.

Now, let's look at the results of coca eradication in Colombia and the Andes in general. Despite record aerial spraying of over 130,000 hectares of coca crops in 2004, the total area under coca cultivation remained "statistically unchanged" at 114,000 hectares, according to figures released by ONDCP in March 2005. While the 2005 estimate of Colombian coca cultivation has not yet been released, indications are that the estimate will be the same as or even higher than in 2004, despite another record year of aerial spraying, as well as a significant increase in manual eradication. If the 2005 estimate for Colombia is in line with the 2003 and 2004 figures, then the area under coca cultivation in the Andes for 2005, according to the governments' own estimates, will be roughly 179,000 hectares, only 3 percent lower than the estimate for the year 2000, when Plan Colombia got underway (see Chart 2). If, as has been speculated, coca growers are increasing their coca leaf yields per hectare, then small decreases in total land under cultivation may not actually translate into less coca and less cocaine production. Indeed, the record seizures being reported may suggest no shortage of cocaine being produced.



It should be noted that this discussion has assumed that the U.S. coca cultivation estimates are more or less accurate. But—as anonymous senior U.S. officials have acknowledged in the media—the coca estimates are in all likelihood serious understatements of the true extent of coca cultivation, especially as new plantings have become more dispersed and farmers take precautions to conceal their crops from aerial spray operations. The uncertainties involved in the estimation process argue against the presentation of a single-figure estimate, which hides these uncertainties. As a result, policymakers and the public are misled into believing that we know more than we really do. The cultivation numbers, wherever they seem to be headed, need to be taken with a grain of salt, with the understanding that, in reality, coca cultivation and cocaine production exceed the official estimates, perhaps by wide margins.

In the past, the failure of eradication to achieve substantial and lasting reductions in coca cultivation and cocaine production has been met with an escalation and intensification of essentially the same strategy. Indeed, Administration officials have already suggested that in response to the failure of aerial spraying to deter new coca cultivation, the U.S. and Colombia must expand and intensify the aerial spray program. The argument for escalation is accompanied by the fallback position that if the U.S. had not been pursuing its supply-control approach, the problem would be that much worse. While not entirely implausible, this fallback position is undermined by its failure to account for two major questions. First, what are the opportunity costs of adhering to (and even escalating) a dubious approach when the same money could be spent far more effectively on other strategies? Second, is the collateral damage generated by current policies justified by such minimal (if any) positive results? The wisdom of staying the course, already on extremely shaky ground given the sheer ineffectiveness of current policies, becomes even more suspect when the opportunity costs and collateral damage are taken properly into account.

Collateral Damage

The sad reality is that forced eradication and other aspects of supply control have not only failed to reduce drug production, but these elements also have caused serious collateral damage in the region, and continue to undermine U.S. credibility. This was the focus of the *Drugs and Democracy* study and let me summarize them for you.

1) Forced Eradication

Aerial spraying has led to a dramatic expansion of the areas where coca is grown in Colombia. At the beginning of Plan Colombia, coca production was mostly confined to three departments in the southern part of the country. Coca can now be found in at least 23 of the country's 32 departments and is now often grown in

smaller parcels, under shade, where it is harder to detect. Crop protection measures and higher yields per hectare make the challenge even greater. Our policy has demonstrably not deterred new coca cultivation, but has led to its dispersal to new parts of the country. Indeed, according to the United Nations Office on Drugs and Crime (UNODC), more than 60 percent of the coca fields detected in Colombia in 2004 were new, a finding that “revealed the important mobility of coca cultivation in Colombia and the strong motivation of the farmers to continue planting coca.”

Insufficiently considered are the people at the other end of the forced eradication strategy. From the start of Plan Colombia until today, the humanitarian side of our policy approach, alternative development and assistance to those displaced, has lagged woefully behind the enforcement/eradication side. In the department of Guaviare, for example, nearly 110,000 hectares of coca were subjected to aerial herbicide spraying from 1999 through 2004, according to UNODC, but over this entire six-year period only about \$500,000 was devoted to alternative development in the department.

The reality is that coca is produced by poor farmers. It is a small scale cash crop often produced along side of subsistence food crops. Glyphosate, the herbicide being sprayed, does not make a distinction between coca and beans. Every time we spray and displace small farmers without providing them with some sort of alternative, we leave families without food and drive them from subsistence to desperation. What do we expect from this policy? These people are not just going to lie down and die. They are going to struggle to survive, whether that means moving to a new plot of land, joining an illegal armed group, or migrating, so be it. We have made poverty and forced migration out of desperation a standard result of U.S. policy.

Colombia has the second largest population of internally displaced persons in the world, after Sudan. This displacement is primarily caused by Colombia's 40 year-old internal armed conflict, but U.S. drug policy is making the displacement problem worse. According to CODHES, the Consultoria para los Derechos Humanos y el Desplazamiento, a Colombian NGO working on issues of displacement, about 47,000 people were displaced in 2005 due to fumigation.

Aerial eradication is not simply an ineffective policy, it is a cruel one.

2) Investing in the wrong institutions

Many of the problems created by drugs in Latin America are related to money laundering and corruption. These problems are best addressed by criminal investigations and prosecutions, backed by serious political will. While the U.S. has invested in justice reform and specialized police units, its primary investment has been through the military.

In 1989 the U.S. Congress made the U.S. military the “single lead agency” in the detection and monitoring of drugs coming into the United States. While the military initially resisted this role, they did what any good democratic military does when assigned a job by the civilians: they embraced the role. They also turned to their partners in the region, Latin American militaries, for help.

Another incentive for military engagement was that local police were often judged to be too corrupt to be reliable. The U.S. has invested heavily in military involvement in counter drug solutions while treating police and judicial institutions in the region like the poor step-sisters—you have to keep them in the family, but you don't want to invest any real money in them.

During the 1980s much of the region withdrew its militaries from civilian roles, including internal policing. However, U.S. engagement with regional militaries has helped push many of those militaries back into policing roles, a trend we now see expanding beyond combating drugs to gangs and other transnational policing issues.

In search of effective partners, we have gone to extremes at times, as with the creation of the Expeditionary Task Force, a paramilitary counter drug force that was under the direct control of the U.S. embassy in Bolivia. Only after its existence was documented in the U.S. media was the force subsequently disbanded.

In general, use of the military does provide short-term results, but lasting impact requires dismantling trafficking networks. Only police and judicial institutions can do this. It boils down to short-term results vs. long-term solutions. By investing in military approaches we are not investing in long-term solutions. We must invest in strengthening police and judicial institutions.

3) Civil Liberties

U.S. drug policy has also promoted the adoption of harsh anti-drug laws that are at odds with basic international norms and standards of due process and undermine already tenuous civil liberties. These laws often result in the creation of either courts or procedures that greatly limit due process guarantees, such as the pre-

sumption of innocence, the right to an adequate defense, and the requirement that the punishment be commensurate with the gravity of the crime.

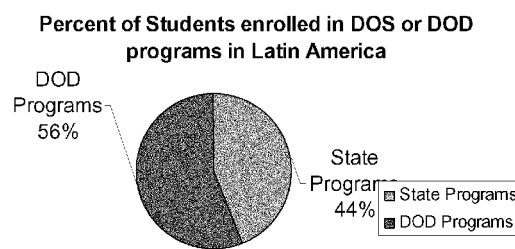
For example, both Ecuador and Bolivia adopted U.S.-backed legislation in which the burden of proof for conviction of drug offenders was so low that local human rights lawyers complained that their defendants were forced to prove their innocence. As in the United States, harsh mandatory minimum sentencing laws have also spread across the region. In Ecuador, the law mandates a 12-year minimum jail sentence and a 25-year maximum sentence for drug-related crimes. The law does not differentiate between those who are paid to carry drugs, small-time traffickers, or drug kingpins—all are subject to the mandatory minimum. The maximum sentence for murder, in contrast, is 16 years. Thus, a small-time trafficker could end up with a higher sentence than a murderer.

Anti-drug legislation, including mandatory minimum sentencing laws, and the use of numerical quotas for arrests, has filled the prisons of countries across the region with low-level offenders—even innocent people—who have little access to adequate legal defense. In some countries, only a small percentage of those arrested are actually convicted, while in others conviction rates are astoundingly high. Pervasive corruption and weak judiciaries mean that major drug traffickers are rarely sanctioned. If they are, they often benefit from far more acceptable prison conditions, as they have the resources to purchase a range of amenities.

4) Oversight

U.S. drug control policy, and security policy more generally, with respect to Latin America, is moving out of the jurisdiction of the Department of State and this Committee and into the Department of Defense and the Armed Services Committees.

Historically U.S. military training has been paid for and overseen by the Department of State. Increasingly, training is being paid for and executed directly through DOD. About 60% of all US military training for Latin America is paid for out of the Pentagon.



Source: Foreign Military Training In Fiscal Years 2004 and 2005, Volume I U.S. Department of Defense and U.S. Department of State Joint Report to Congress Released April 2005

State Programs		DOD Programs	
FMF	167	ALP	24
FMF (Bolivia)	4	CTFP	1107
FMS	211	Exchange	2
IMET	5282	Non-SA, Comb Command (JCET)	7
INL	1261	Service Academies	24
Section 506	0	PME	6
		Regional Centers	378
		Section 1004	7076
Total	6925	DOD/DOS Non-SA	226
		Total	8850

This is of concern to us for three reasons: 1) there is much less congressional oversight and many fewer reporting requirements on programs under the jurisdiction of Defense than State; for example, only sporadically in recent years have the Armed Services Committees required any public reporting at all on counter drug programs; 2) training has historically been under State because of the foreign policy implications of foreign military training, and we believe that State should play a central role in decisions about training; and 3) the 40 years of legislative history on human rights law on foreign assistance (with the exception of a version of the Leahy Law) applies only to programs under the jurisdiction of the Foreign Assistance Act, so

training and security assistance programs funded through DOD are not subject to these restrictions.

We believe that this committee has played a critical role in this process and that it is imperative for the committees of jurisdiction (House International Relations Committee and the Senate Foreign Relations Committee) to reassert their authority over these programs.

Conclusion

In conclusion, U.S. drug policy in the region is plagued by short-term thinking that leads to tactical victories that often make the problem worse and create collateral damage. Every time we are "successful" in eradicating drug production through forced eradication, we displace people who move elsewhere, often moving production and environmental damage with them. When we are "successful" through interdiction in limiting trafficking in one area, it moves somewhere else, bringing corruption and violence to a new country or region. Every time we declare victory, some area previously unaffected by the drug trade loses.

So what should we do to control the damage caused by drugs and U.S. drug policy throughout the U.S. and Latin America?

1) *Think long-term.* We have to get out of the quick-fix mentality. The Congress needs to decide that it wants to impact drug consumption in the U.S. and production and trafficking in Latin America by making a long-term investment with a policy approach designed for the next twenty years. By requiring State and DOD to show "progress" in the war on drugs from this year to next, we have developed short-term bureaucratic thinking that has produced negative long-term results. Stop the body count.

2) *Reduce harm.* Current U.S. drug policy exacerbates political and human rights problems in the region and contributes to anti-American sentiment. While there will always be some harm produced by anti-drug strategies, as there is harm produced by the drug trade, we should base our policy choices on what is truly effective and creates the least collateral damage.

3) *Invest in evidence-based approaches.* There are studies on the international and the domestic side that show what works. They tell us that cooperative eradication is more lasting than forced eradication. If we took this seriously we would put development strategies ahead of the eradication process. The perennial goal of our enforcement-led supply-control approach has been to restrict availability and thereby reduce drug use. But the best available evidence on availability (including price and purity trends) has shown that this just has not worked. By contrast, an enormous body of evidence shows that without any doubt, treatment for drug abuse is both an effective and cost-effective way to reduce drug consumption and associated harms, without any of the collateral damage that has characterized our supply-control emphasis.

4) *Work in consultation with governments of the region.* We certainly have not cornered the market on success in terms of drug policy. Why not be more flexible with countries in the region that are committed to fight drugs, but need the political space from the U.S. to try alternative policies? Instead of holding a big stick over Latin American nations, threatening their bilateral aid and trade status if they don't implement the programs we prefer, we should develop a more cooperative approach. This would go a long-way toward remedying hostile regional feelings toward the U.S.

5) *Slaughter the sacred cow.* In the past three years I have had countless conversations about U.S. drug policy in the region with U.S. policy makers from both side of the aisle. The overwhelming sentiment I have gotten is that there is a fundamental understanding that current policy does not work, but that it is a sacred cow and that it is political suicide to challenge the policy or think outside the box.

I have also traveled extensively throughout the U.S. over the past year giving public presentations on the *Drugs and Democracy* study. Not one person stood up and said, why are you questioning this successful policy? There is tremendous public sentiment that current policy is not working. There is the domestic political space for change.

I think that it is time to get all of the policymakers who think that the current policy is failing together in a room with no outside observers, to slaughter the sacred cow, and to start to explore policies in the U.S. and in Latin America that can be more effective in mitigating the extreme harm caused by drugs and the war against them.

Mr. BURTON. Well, that was very interesting. I will have a question or two for you, but before we go to questions for our panelists, I did have one additional question for the State Department.

Are you the young man back there for the State Department? Would you jot this down and ask them to answer this for me. When did the Department of State determine that FARC was linked to the drugs and the drug cartels.

I need to know the date and the time, because many of us have felt that they were linked together for a long time, and it hasn't been admitted by the State Department. So I would like to have your dates and the times.

I want to submit for the record, if I might, a report on progress in Colombia, which I will be talking to you about in just a moment. Without objection, we will have that included in the record.

Let me start with you, Ms. Olson. You paint a pretty bleak picture. Do you think that we may have to go to some legalization of drugs, or something, down the road in order to deal with the problem?

It seems what you are saying is that, if we push in on one part of the balloon, it sticks out someplace else. If we push in here, it pops out someplace else. In fact, what you are saying is that as far as drug reduction and drug production being stopped, or winning the war against drugs, we are going to have a real problem because they just move from one place to another if we start eradication.

Ms. OLSON. We are not advocating legalization. What we do think is that we can come up with more effective approaches that reduce the harm caused by drugs. It is more of a harm reduction approach.

The drug production produces harm, and environmental harm. The trafficking produces tremendous harm, and corruption and violence are with it at every step of the way. And certainly drug consumption in the communities here is incredibly damaging.

At each stage in that process, if we could try and develop policies focused on being the most effective at reducing the harm caused by the illicit activity, by consumption, by production, by the environmental impact, we think that we could come up with a policy package that would be more effective than what we have right now.

Mr. BURTON. Well, if you have a policy package that you want to advocate, I would sure want to look at it. I heard your six points that you made, and I think that they would be included in your proposal.

Ms. OLSON. They are, and much more extensive recommendations are included in my testimony.

Mr. BURTON. I understand, Ms. Olson, and that is very interesting what you said. So if you could send it to my office, and any other Member of the Committee that would like to have it, I would like to see what your proposals are. Could you make sure that we get those? I would just like to take a look at them.

Ms. OLSON. Certainly.

Mr. BURTON. Ambassador Mack, you said something about the students down in Central or South America, and whether or not they are responding to these programs that are minimizing or slowing down the consumption of drugs. Is it being effective?

Ambassador MACK. Well, sir, different countries are at different stages in putting into practice prevention programs among students.

Mr. BURTON. Well, give me a generalization if you will.

Ambassador MACK. A generalization is that most countries do not have effective prevention programs for their students, although this is beginning to change and my organization is helping countries put together prevention programs. Chile has the most advanced school-based prevention program perhaps in the hemisphere.

Mr. BURTON. Are they in general working? Are the programs that you are advocating just in their infancy, or what is the deal?

Ambassador MACK. Well, Chile's program, their consumption, which is higher than most of the other Latin American countries, is probably for the simple reason that it is a more prosperous country than the other countries in South America and Latin America.

Their consumption is leveling off and so I would say that their prevention programs are having a positive impact. The other programs are so new that it is hard to say that they have had an impact to date. They are just getting started.

Mr. BURTON. How is that comparing with what is going on here in America and our drug programs?

Ambassador MACK. Sir, I am not competent to answer that question as I am no longer a United States Government official.

Mr. BURTON. You are an American aren't you?

Ambassador MACK. I think clearly, sir, that the consumption has gone down in the United States over the last 20 years. We are much better organized to deal with the problem than a lot of our colleagues to the south of us, who are now beginning to face the problem of consumption for the first time.

So they are now arming themselves and organizing themselves to deal with it, but we, unfortunately, had a jump start on the problem, and therefore, we have a jump start on the solution.

They are still working with the solution and we in CICAD are trying to help them improve their capacity to come up with a solution that includes a serious prevention program at the school level.

Mr. BURTON. I have one more question for both of you, and then I would like to submit questions for you to answer for the record if you wouldn't mind, in addition to getting your proposals.

What kind of an effect do you think our anti-drug programs are having on the governmental structures in Central and South America? We are trying to create a stable environment for fledgling democracies down there. We are working on trade programs, and other things like CAFTA, to try to help create jobs and create better economies.

But the drug problem, and the way that we are approaching the drug problem, is it causing problems for the stabilization, or the strength of these new democracies down there?

Ambassador MACK. Mr. Chairman, that really is a question probably best directed to also Ambassador Patterson. Countries are now—and because of our relationship with the countries that are members of our organization, there is a very fluid relationship.

And all of them feel that they have a stake in the problem, all aspects of the problem today, and I think not only their capacity improving, but the willingness to sit down and discuss in a multi-lateral setting has I think opened them up to cooperation with the United States in many cases simply because the United States is at the table as a peer in the process that I described of evaluating

the progress in drug controls in the member states. And in a way I think it improves the atmosphere for cooperation.

Ms. OLSON. Well, I have never been a United States Government official, and so I can answer that question. First, the drug trade is producing in certain countries enormous problems related to governability, and often they are not necessarily that the entire Federal structure of the government has become infiltrated or corrupt.

But certainly in localized areas, and in certain areas, this is the case, you see tremendous corruption taking place on the United States-Mexican border, especially in certain cities.

You see huge problems with drug corruption and other kinds of organized crime and corruption in Guatemala. And certainly one of the things that we are seeing with the paramilitary demobilization in Colombia is that again in certain areas there are traffickers who are now involved in both licit and illicit activities, and the influence on political structures locally is really serious, and should be very disturbing.

In terms of U.S. programs in relation to all of this, and whether or not there is instability or not, I think that some of them have been very good. We have had programs focusing on money laundering, for example, that were discussed earlier.

And, efforts to harmonize legal structures around money laundering, I think that is incredibly important. We have done some investment in judicial reform issues, which I also think is very important.

But there have been other things. For example, we set target eradication levels each year with different countries, and then they have to meet them. In a place like Bolivia, over the past 3 or 4 years, that became a whole part of the political turmoil there, and those targets in and of themselves were a part of what was causing some of the political turmoil. Certainly not all of it, but it wasn't helping. So a different kind of approach would have probably led toward greater stability in Bolivia. And then the other thing that I raised that I think is important is that at times, in terms of long term thinking, governability, and consolidation of democracy, we have invested in the wrong institutions.

In 1991, the U.S. gave our military, made them the single lead agency for the detection and monitoring of drugs coming into the United States, and while the people in the U.S. military did object to that role at the time, being a good democratic military, what they did was assume the role and tried to do the best job with it that they could.

And what they ended up doing was turning to the people that they knew in Latin America, their partners. So who they have ended up interacting with to a great extent have been Latin America militaries.

And while this Committee looks at programs like INL, much of the United States counterdrug program in Latin America is executed through the 1004 account, the account on drug authority in the Pentagon budget, and that is where, through SOUTHCOM, the interaction takes place.

So what I would say is that for consolidation of democracy in the long term, one of the most critical investments is going to be on police reform and judicial reform in the region.

Mr. BURTON. Okay. Thank you. I would like to have that information from both of you, and I will submit other questions for the record. Mr. Engel.

Mr. ENGEL. Well, thank you, Mr. Chairman. Let me ask a few quick questions, since I know that we are drawing to an end. Let me start with Ambassador Mack. Ambassador, can you give us a sense of how your crop substitution program is working for replacing drug crops with tree based agricultural products?

Ambassador MACK. Our cacao project is just starting, sir, and so it has had no impact as of yet. It is a pilot project beginning in a few small areas in the coca producing zones of the major coca producing countries. I am hoping that I can get sufficient funding that we can broaden it out and then have a major impact.

But at this point, it is very, very minor. We have conducted successful projects in Bolivia, small level projects involving several thousands of people to promote organic banana production, and kava.

They have been successful, and by and large, those people have ceased growing coca, but these projects operate on a very small scale. We don't have the kind of funding that permits us to operate on a very large scale.

Mr. ENGEL. Well, speaking of funding, we had on the last panel some discussion about the Europeans and the EU, and what they were doing or whatever. Have you had any contact with the European Union perhaps and for them to have some help with the funding for your program?

Ambassador MACK. In the past, the European Union has funded small programs on assessing drug use in the Caribbean. However, we do receive substantial assistance from the Government of Spain in a couple of ways. One is to help the Andean countries decentralize their drug programs, particularly in the prevention area, down to the municipal level, and that has been under way for several years.

And Spain has three really nice training centers in Latin America that they allow us to use. Spain also actually funds people to conduct programs for us ranging from prevention programs, to drug treatment program training, to training of judges and prosecutors in money laundering areas.

So, Spain has been very, very active, and they are a major contributor to CICAD. The U.K. provided substantial funding to do the assessment of the environmental and human impact of coca spraying in Colombia.

France had a very senior level money laundering police official assigned to us for 3 years, and who did a terrific job, and Spain is about ready to assign another police official in money laundering.

So the Europeans individually have actually been quite active and very supportive of what we do.

Mr. ENGEL. Let me ask you one final question. The MEM program, the multilateral evaluation mechanism program, are all

countries that participate in this program cooperating effectively, or some at a lower level? Could you specify?

Ambassador MACK. All are cooperating, some more enthusiastically than others, but all have voluntarily joined the process. Some are very, very small countries, and they simply do not have the staff or the organizational capacity to answer rather complex questionnaires.

So we have been sending missions down to help them organize to better do this, but by and large, the countries cooperate and extremely actively, and in a very collegial way, and they are becoming much more accustomed to making pointed judgments about progress in their fellow republics, and to responding positively to recommendations for improvement, including the United States, I might add.

Mr. ENGEL. Well, thank you. Ms. Olson, I want to wrap up a couple of questions, wrap them up together and it is about Colombia, and give you a chance to talk about it since you certainly have given us some food for thought, and have an interesting approach.

In some instances, an alternative approach, but not necessarily, because I don't think it is an either/or situation. I think there are certain things that we can do hand-in-glove. We may not think so, but I believe that we really can.

So I want to talk to you about Colombia. We talked about the eradication spraying program in the last panel, and we say that the spraying does not pose unreasonable health or safety risks to humans and the environment, but we get the reports that many Colombians do believe that it does.

Also, that the health consequences of aerial fumigations are grave, and that many NGOs are criticizing certification of the herbicide for being analytically inadequate. So I wanted to know if you could tell us what you know and what you think about the environmental and health effects of eradication, and to what extent does aerial spraying destroy good crops and the fate of farmers whose livelihoods have been hurt by that.

I want to also tie that into Colombia's human rights. We hear, and again I am not commenting one way or the other, but we hear reports, and I would like to know what your feelings are, that Colombian security forces have often turned a blind eye to paramilitary activities, considering and saying that these groups are augmenting their fight against the FARC and ELN.

The Secretary of State by law has to certify on an annual basis that the Colombian military is complying with specific human rights conditions in order for the Government of Colombia to receive United States military and police assistance.

Whatever I have read has shown that the Colombian military has made good strides in improving security in the country, but we continue to receive these reports, these disturbing reports of gross violations of human rights committed by members of the military, as well as alleged collaboration by security force members with illegal paramilitary groups.

So I am wondering if you could comment about what you know about those two things involving Colombia.

Ms. OLSON. Okay. Starting out with the spraying issue and fumigation. Certainly there are back and forths on this one. One the

one side, people are saying that there is no environmental damage, and on the other side people are saying that there is, and while you may not be able to quantify it scientifically, they say that they get rashes, and that there is an impact.

But we also see that the way that spraying takes place is that it just doesn't just hit crops. I mean, it was originally designed to be put on a crop so that the leaves fall off. But it ends up going into water supplies, and it ends up hitting animals, and it ends up hitting people.

So its impact I think is distinct from what the traditional interpretation of the scientific community might be. But I am not a scientist, and I don't have a scientific perspective on that.

What I can tell you is that fumigation is causing production to spread. In Colombia, coca production started out at the beginning of Plan Colombia in three departments. It is now in I believe 23 departments the last time I checked. And every time production moves, people move into new areas and they are devastating the environment.

With production comes the use of precursor chemicals, and deforestation takes place in those areas, and so I would say that the biggest impact, negative impact, that I have been able to see, and really been able to get a quantifiable sense of, is actually the environmental devastation that is coming from the continuing spread of coca production into new areas.

And then getting to the humanitarian side of it, just to reiterate, I think that the issue of displacement is an enormous problem. I just don't think this, it is the second largest number of displaced persons in the world.

I find it just appalling that so few people in this country have any clue about that, and I don't think that the magnitude of that figure, and the problem that it represents in terms of human suffering, and in terms of political stability in the long term in Colombia has been captured by policy makers as of yet.

Finally, I think that fumigation and forced eradication contributes to displacement. I just don't think that, there has been a recent study out in Colombia that documents it.

And finally the issue of collaboration between the military and the paramilitary organizations. This is a continuing problem that we are monitoring. We are preparing for the next State Department consultation right now. We are just gathering information on the cases that we are following, and new information, and I would like to submit that to you if that is possible.

Mr. ENGEL. Yes, it is, and I thank you both for—

Ms. OLSON. Could I add just two quick points?

Mr. ENGEL. Sure.

Ms. OLSON. When it comes to the European community, I think if there is somebody really looking at alternative development, trying some different alternative development strategies in the Andean countries, it is the German Government's alternative development agency. They have done some really interesting work that has been done.

And then I would like to go back simply to say that the biggest thing that I think we can do to help Latin America fight the scourge of drugs is treatment on demand in the United States. The

degree to which we can lessen demand here will have the biggest impact on the region.

Mr. ENGEL. Thank you, and thank you, Mr. Chairman.

Mr. BURTON. Thank you, Mr. Engel, and I look forward to working with you. Thank you, panelists, for being so patient. I know that this has been a tough day for you, and if you would submit to the Committee for the record the answers to the questions, and any other information that you have, we would really appreciate it. Thank you very much. We stand adjourned.

[Whereupon, at 1:40 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE JERRY WELLER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ILLINOIS

Thank you, Mr. Chairman for holding this hearing today and to our distinguished witnesses for their testimony and insight. It is a particular pleasure to welcome to this Committee Ambassador Anne Patterson who I have worked with closely as Ambassador in Colombia and also now in her role as Assistant Secretary for INL.

Mr. Chairman, one of my main priorities has been the establishment of the International Law Enforcement Academy for Latin America. The ILEA will be key in our cooperative efforts with our friends in Latin America to not only combat narco-trafficking, but also to fight corruption and to increase security in the hemisphere by sharing information across national boundaries and building relationships and trust between police forces. ILEA will be a powerful catalyst for strengthening efforts to work together in partnership for combating terror, drugs, and money laundering. I commend you for the great work that has been done to moving the ILEA forward to completion this year and look forward to working with you, Ambassador, on this project.

Mr. Chairman, we know we have lots of work on our hands in the hemisphere when 14 of the 20 major illicit drug producing or drug transit countries are in Latin America and the Caribbean. We must continue with a multi-faceted strategy that includes eradication, alternative crop development, and increasing economic opportunities in the hemisphere.

When I talk to leaders from the region, it is clear that poverty reduction and increasing economic opportunity are keys to the stability of the region and to eradicating the cultivation of narcotics. President Toledo has made this point repeatedly in his visits to the United States and has been a true leader in poverty reduction, making enormous successes in Peru. President Toledo and other leaders also note that export opportunities help create jobs and move people into licit work, away from narcotics. ATPDEA expires next year, and, should congress fail to ratify Trade Promotion Agreements with Peru, Colombia, and Ecuador, we know that the jobs lost without exports will be filled in the vacuum of narcotics cultivation and trafficking. We must not let this happen.

Mr. Chairman, thank you again for holding this hearing today and I look forward to the testimony of our witnesses.

Question for the Record
Subcommittee on the Western Hemisphere
Hearing entitled, "Counternarcotics Strategies in Latin America"
March 30, 2006

Bureau of International Narcotics and Law Enforcement Affairs
U.S. Department of State

1. What year was the Colombian rebel group FARC officially labeled as a Foreign Terrorist Organization by the Department of State? What criteria were used and how did FARC meet them to determine them as a FTO?

Answer:

The FARC was designated a Foreign Terrorist Organization (FTO) by the Department of State in October 1997 because it perpetrated and continues to perpetrate bombings, murder, kidnapping, extortion, and hijacking, as well as guerrilla and conventional military action against Colombian political, military, and economic targets. In March 1999 the FARC murdered three U.S. Indian rights activists on Venezuelan territory after it had kidnapped them in Colombia. It has held three U.S. citizen contractors hostage since February 2003.

The Secretary of State designates Foreign Terrorist Organizations (FTO), in consultation with the Attorney General and the Secretary of the Treasury. These designations are undertaken pursuant to the Immigration and Nationality Act, as amended by the Antiterrorism and Effective Death Penalty Act of 1996. FTO designations are valid for two years, after which groups or organizations must be redesignated or the designation automatically expires. Redesignation requires a determination by the Secretary of State that the organization has continued to engage in terrorist activity and still meets the criteria specified in law. The FARC has been redesignated every two years since 1997.

The legal criteria for designation, which the FARC fulfills, are:

1. The organization must be foreign.
2. The organization must engage in terrorist activity as defined in Section 212 (a)(3)(B) of the Immigration and Nationality Act, as described below.
3. The organization's activities must threaten the security of U.S. nationals or the national security (national defense, foreign relations, or the economic interests)

The Immigration and Nationality Act defines terrorist activity to mean: any activity that is unlawful under the laws of the place where it is committed (or which, if committed in the United States, would be unlawful under the laws of the United States or any State) and that involves any of the following:

- (I) The hijacking or sabotage of any conveyance (including an aircraft, vessel, or vehicle).
- (II) The seizing or detaining, and threatening to kill, injure, or continue to detain, another individual in order to compel a third person (including a governmental organization) to do or abstain from doing any act as an explicit or implicit condition for the release of the individual seized or detained.
- (III) A violent attack upon an internationally protected person (as defined in section 1116(b)(4) of title 18, United States Code) or upon the liberty of such a person.
- (IV) An assassination.
- (V) The use of any-
 - (a) biological agent, chemical agent, or nuclear weapon or device, or
 - (b) explosive or firearm (other than for mere personal monetary gain), with intent to endanger, directly or indirectly, the safety of one or more individuals or to cause substantial damage to property.
- (VI) A threat, attempt, or conspiracy to do any of the foregoing.
- (iii) The term "engage in terrorist activity" means to commit, in an individual capacity or as a member of an organization, an act of terrorist activity or an act which the actor knows, or reasonably should know, affords material support to any individual, organization, or government in conducting a terrorist activity at any time, including any of the following acts:
 - (I) The preparation or planning of a terrorist activity.
 - (II) The gathering of information on potential targets for terrorist activity.
 - (III) The providing of any type of material support, including a safe house, transportation, communications, funds, false documentation or identification, weapons, explosives, or training, to any individual the actor knows or has reason to believe has committed or plans to commit a terrorist activity.
 - (IV) The soliciting of funds or other things of value for terrorist activity or for any terrorist organization.
 - (V) The solicitation of any individual for membership in a terrorist organization, terrorist government, or to engage in a terrorist activity.

As defined in the Immigration and Naturalization Act, the FARC has engaged in some or all of these activities.

2. What year was the Colombian rebel group FARC officially labeled as a Drug Trafficking Organization by the Department of State? What criteria were used and how did FARC meet them to determine them as a DTO?

Answer:

The Department of the Treasury did include the FARC as a Significant Foreign Narcotics Trafficker after its designation by the President on May 29, 2003 under the Foreign Narcotics Kingpin Designation Act.

The Department of State does not have a formal process for officially naming an organization as a Drug Trafficking Organization and therefore does not make such a designation. However, since the mid-1980s, U.S. government officials and academic sources have reported on the FARC's continued involvement in narcotics. In 1984, then-U.S. Ambassador to Colombia, Lewis Tambs, publicly described the FARC's narcotics activities. A more formal recognition of this involvement also occurred in 1984, during congressional testimony by Clyde Taylor, then-Assistant Secretary of State for International Narcotics and Law Enforcement Affairs. Subsequently, Department of State officials have continued to describe and report on the FARC's involvement in narcotics trafficking. When I was ambassador to Colombia, I frequently mentioned the FARC's involvement in drug trafficking.

In addition to the Department of Treasury designation, the Department of Justice announced on March 22, 2006, the indictment of seven top leaders and forty-three commanders of the FARC on charges of running a drug trafficking network responsible for 60 percent of the cocaine on U.S. streets.

3. At any given time in the eastern Pacific Ocean drug transit zone there are only four ships from the USA, or her allies engaged in interdiction efforts. When a ship has to return to port for refueling, valuable 'ship days' on station are lost. A refueling ship, or oiler, would greatly facilitate interdiction efforts by allowing ships to increase their on station time in transit zone waters by 25%.

What is INL's position on leasing or purchasing such a refueling vessel?
Is INL doing anything with allies to provide at-sea refueling support?

Answer:

We are aware of the need to provide a refueling capacity in the Eastern Pacific, and have discussed this issue with the U.S. Interdiction Coordinator. The estimated cost for one year is \$25 million to reactivate and lease either a Military Sealift Command Oiler or an operational U.S.-flagged oiler. The cost of the fuel would be additional.

INL is working within the interagency process to address this proposal. There are various support options and USG funding capabilities that we are evaluating. As a temporary solution, U.S. Southern Command is close to signing a Memorandum of Understanding (MOU) with the Government of Chile that will provide 60-90 days on station of refueling capability. The following are among the other possible solutions that have been examined:

- The United States Navy (cannot provide the proposed support at the present time due to other commitments in the global war on terror).
 - Allied oiler support (also not readily available).
 - United Kingdom oiler support (limited to Caribbean operations).
- Colombian oiler support (no longer being considered due to limited offload capabilities and range, as well as extensive maintenance/refurbishment requirements).

4. Part of the USA Patriot Act, the Methamphetamine Epidemic Elimination Act, signed into law by the President last month, places certain requirements on INL with regard to preventing the smuggling of methamphetamine.

What action do you anticipate taking to comply with requirements of the law to improve bilateral efforts with Mexico to prevent the smuggling of methamphetamine across the border?

Again, in order to comply with the new law, what action do you anticipate to be taken to engage Mexican authorities to reduce the diversion of pseudoephedrine to the illicit methamphetamine production market?

Answer:

The Department of State continues to work closely with the Mexican Government on a wide range of counterdrug issues and has provided assistance and training that specifically targets methamphetamine production and trafficking. For instance, we have created a Sensitive Investigations Unit dedicated to targeting criminal groups involved in methamphetamine production and trafficking, established a Chemical Response Team to raid clandestine drug labs, and trained a select group of Mexican prosecutors to improve effectiveness of prosecution of chemical cases.

INL has also provided Mexico with a mobile lab van equipped with specialized equipment to interdict labs safely and effectively and collect evidence for prosecutions. In May the Department of State and the Drug Enforcement Administration will jointly donate six clandestine lab trucks and trailers for use by Mexican lab-busting teams. The vehicles will help transport equipment and personnel to clandestine laboratory sites in order to sample evidence, and dismantle and dispose of laboratory equipment, chemicals, and toxic waste.

The USG and the Government of Mexico agreed earlier this year to establish specialized enforcement teams to focus on investigating organizations involved in the manufacture and distribution of methamphetamine. They will also focus on the

individuals, organizations, and companies that are trafficking in precursor chemicals used in the manufacture of methamphetamine. About 100 Mexican officers will be brought for training to the U.S. for these teams. In addition, the USG is planning to train 1000 police throughout Mexico specifically in investigating methamphetamine.

Mexico has also made great strides in reducing its legal importation of precursors. INL provided training and technical assistance to Mexican chemical control agencies on control mechanisms, information sharing on precursor chemical shipments, and enforcement. INL also provided, through the UN Office on Drugs and Crime (UNODC), computer equipment at a central coordination site and major international ingress points in Mexico to monitor precursor chemicals once they enter Mexico. In large part due to INL's efforts, the Government of Mexico passed a series of laws and regulations in 2004 and 2005 to restrict imports and better regulate the sale of precursors. Among other actions, Mexico:

- Prohibited import shipments weighing more than 3 tons;
- Restricted importation of pseudoephedrine to only drug companies; all other licenses were cancelled;
- Required shipments of precursors to be transported in GPS-equipped, police-escorted armored vehicles to prevent hijackings and unauthorized dropoffs;
- Limited sale of pills containing pseudoephedrine to licensed pharmacies;
- Restricted customer purchases to no more than three boxes of pills; prescription required for larger doses.

The result of these actions has been a substantial reduction in imports to approximately 130 metric tons in 2005 – a 40 percent reduction over 2004. The Mexican Government has committed to reducing imports even further in 2006.

INL will continue to work closely with Mexico's chemical control agencies to encourage further reductions in the importation of precursors.

5. In INL's March 2006 Strategy Report you discuss the breakdown of relations in Venezuela on the counter-drug front which, in part, led to their decertification. But the report also has an optimistic tone when it states "After decertification, political sniping faded and government officials expressed renewed willingness to cooperate. GOV (Government of Venezuela) officials have linked cooperation to the signing of a new bilateral counternarcotics working arrangement."

What is the status of this a new "working arrangement"? And what do you foresee the nature of this "arrangement" to be?

What is the degree of cooperation in Venezuela at the present time?

Answer:

In consultations with the Government of Venezuela, we have arrived at a draft addendum to our existing bilateral counternarcotics agreement. We are awaiting GOV concurrence to proceed with signing the document. Reaching agreement on the

addendum, would improve the conditions under which U.S. agencies pursue narcotics control efforts in Venezuela. In particular, NAS/DEA Caracas would work through the BRV's National Anti-Drug Office (ONA) to re-establish a vetted unit at the Maiquetia International Airport. We would also seek to establish a Joint Intelligence Center (JIC) at ONA headquarters, and have discussed this with ONA; the JIC would bring representatives of all relevant BRV law enforcement agencies and their respective data bases under a single operational umbrella. Finally, with an addendum in place, DEA would hope to participate in joint investigations with the BRV, a standard feature of bilateral counternarcotics cooperation in other countries.

Nonetheless, GOV cooperation with the USG on counternarcotics programs remains at levels much lower than in previous years. Lack of political commitment to counternarcotics, Venezuela's reluctance to work closely with the U.S. government, high levels of corruption and various legal impediments also undermine the GOV's own counternarcotics efforts.

6. In your March 2006 Strategy Report, you states that 2005 was a record year for eradication, interdiction and extradition in Colombia. Yet there are persistent rumors that this year will show an increase in the numbers of hectares under coca cultivation in Colombia.

With such successes asserted in 2005, why are we seeing a potential increase in coca production in 2006?

What is INL doing to deal with what may well be an increase in coca manufacture in Colombia?

Do you believe that part of eliminating cocaine production in Colombia also requires stabilizing the country? If so, how long will that take and at what expense to the U.S. taxpayer? Is nation building a requirement for drug supply reduction?

Answer:

The CIA surveyed an 82 percent larger area in 2005, resulting in a 26 percent larger coca cultivation estimate. The area surveyed has increased six times in the last 10 years, from 5.8 million hectares in 1996 to 19.8 million hectares in 2005. However, the increase in the number of hectares surveyed in 2005 was by far the largest. Although the science of estimating crop size is imprecise, it is the best tool we have to help us understand where coca is growing, at what densities, and where we can best deploy our eradication assets. While increasing the survey area improves our understanding in this way, it unfortunately also prevents a fixed baseline from which to measure progress.

In order to address the problem of expanding coca cultivation we are:

- a) ordering three more spray planes that are scheduled to arrive in Colombia before the end of 2006;
- b) expanding our support of Colombia's manual eradication programs - the goal of which is to eradicate 50,000 hectares of coca in 2006 - including President

Uribe's newly announced "Todos Contra La Coca" program, which extends responsibility for eradication to all Colombia National Police forces. We are providing manual eradication groups with backpack sprayers, GPS units to document areas eradicated, airlift and logistical support, and advice;

- c) studying the production cycle of the coca plant to better understand the most effective times and frequencies to apply herbicide;
- d) asking the Colombians to begin paying for components of U.S.-supported programs, such as fuel, herbicide, and other commodities; and
- e) helping the Colombians move toward greater operational control and ownership of these programs (nationalization).

The good news is that these efforts do not represent major new investments of taxpayer dollars, but rather represent the benefits of having vastly increased the Government of Colombia's capacity to fight the drug trade during Plan Colombia. That capacity building continues today:

- the Government of Colombia just announced that in the next four years it will be expanding the Colombian National Police by 40,000 officers, rather than the previously planned 10,000;
- the number of Colombian pilots and mechanics in U.S.-supported aviation programs is increasing;
- we are developing ways to turn over elements of our programs to Colombian operational control and financial support.

Colombia has come a long way; it has a long way still to go. But each step toward greater capacity by the Government of Colombia lays the groundwork for declining U.S. foreign assistance in Colombia in the future.

Plan Colombia helped transform Colombia into a stable, economically developing democracy; the remaining challenge - and a necessary prerequisite for the eventual defeat of drug production in Colombia - is to propagate that stability and development throughout the country, especially to the rural areas where illicit crops are grown and illegal armed groups still openly operate.

7. We have received reports that other Federal agencies have contributed funds or otherwise supported programs of the Soros Foundation, the Open Society Institute, and other organizations affiliated with George Soros.

Has INL supported any of these programs that generally relate to prostitution legalization, "harm reduction" strategies for drug use, or drug legalization?

Answer:

No. INL has neither funded nor supported any programs run by or affiliated with George Soros. INL does not promote or support programs that contradict the laws and policies of the United States Government. With particular regard to drug use and

legalization, we have vigorously opposed the efforts of foreign governments to legalize drug use, most recently in Mexico.

8. Of the \$465 million the Administration has requested for Colombia under ACI, at least \$13 million will be taken from the ACI funding and designated for the Air Bridge Denial program, which provides assets to conduct surveillance and drug interdiction in Colombia. The Air Bridge Denial program was once a separate line item with separate funding and requests, in order to facilitate Congressional oversight.

What Colombian counterdrug program(s) will be affected if \$13 million is to be moved from ACI to the Air Bridge Denial Program?

Can you guarantee transparency if the Air Bridge Denial funds do not remain a line item?

Answer:

Prior to FY 2005, Air Bridge Denial (ABD) was supported through the regular Colombia ACI budget. In FY 2005, ABD was requested as a separate line item while the Colombia budget remained essentially flat. Because INL's FY 2005 and FY 2006 requests for ABD (\$21 million) were not fully funded, INL has supported the ABD program through a combination of the ABD budget, reprogrammed funds and through the regular Colombia ACI budget.

IN FY 2007, the ABD request has been re-incorporated into the regular Colombia budget and will be supported through the ABD line and other lines under the "Support to the Colombia Military" budget line.

Support for ABD will be readily distinguishable in various INL reports, most notably in Congressional Notifications, Country-by-Country Spending Plans, and Congressional Budget Justifications.

9. How can you go after the FARC leadership, now under U.S. indictment, when the lost helicopters such as the CNP UH 60 Black Hawk and Huey IIs have not been replaced, and your "air asset allocation system" is so overly bureaucratic that it requires a 48-hour advance notice and planning when we are lucky if the intelligence the Colombian police have on the FARC leaders whereabouts might, at best, last 4 to 7 hours?

Answer:

We have as many or more Black Hawk and Huey II helicopters (22 and 59, respectively) in our countrywide portfolio today as we have ever had. The Government of Colombia has purchased eight more Black Hawks, with the first delivery expected in June 2006, that build upon this U.S.-provided inventory.

In no single year under Plan Colombia has the number of U.S.-supported helicopters in Colombia lost to accidents or shifts in inventory exceeded the number added to the inventory. In other words, our helicopter inventory never decreased in any given year. It has instead increased steadily from 54 helicopters in 1999 (including 14 Huey IIs and zero Black Hawks) to 147 today (including 59 Huey IIs and 22 Black Hawks).

It is this continual growth of the helicopter inventory that has enabled the successes of the U.S.-supported eradication and interdiction missions, including those against the FARC and their assets.

Also, there is no 48-hour advance notice requirement regarding use of air assets. Our Embassy responds to Colombian requests quickly and routinely, often within an hour of a mission being requested. Once a decision is reached to support a mission, the timing of asset deployment is dependent on many factors, ranging from weather patterns and mission planning requirements to qualified crew availability and optimal mission timing. Tactical mission planning is perhaps the most critical element to a successful mission, optimizing the potential for success while balancing the critical need to preserve lives and assets. Those involved assemble and rehearse, stage, and then often wait for first light before moving on a target. A launch therefore is rarely, if ever, immediate.

In 2005, of 40 requests for helicopter support, 36 were approved. Four requests were denied because there were competing military high-value-target missions of higher priority (and insufficient assets for both) or because Embassy military, intelligence, and civilian staff came to the conclusion the missions were unlikely to succeed as proposed. We have worked with the Colombian military to further clarify how and why these decisions are made to avoid any future misunderstandings.

Since June 2005, we approved 645 hours of helicopter use in high-value-target operations, representing the equivalent of 18 spray missions, which could have eradicated up to 10,000 hectares of coca, corresponding to 40 metric tons of cocaine. We willingly pay this price when we are confident that the benefits to U.S. interests more than compensate for lost opportunities.

We are committed to ensuring the most effective use of U.S. resources in supporting Colombia's fight against narcotics trafficking and terrorist organizations. Even with our expanded helicopter inventory, there is still a finite number of helicopters in Colombia and that means that not all counter-drug and counter-terror missions can be carried out simultaneously or immediately. However, in practice, given the close and intertwined nature of the narcotics industry and terrorist organizations, attacking the former is often a simultaneous attack on the latter.

U.S. helicopters made available for Plan Colombia are often requested by the Colombian military to support their counter-terrorist operations, especially those pursuing high value targets (HVTs). The Embassy is forced to prioritize to ensure the best use of available helicopters. We have asked that requests come from the Minister of Defense, the commander of military forces, or the director of the military joint staff to make sure

that the Colombian high command is aware of requests that tactical-level commanders might wish to make. This procedure allows the Colombian military leadership to review helicopter availability across all services and then determine whether the mission is a high priority. Although tactical-level commanders may be given the mistaken impression that the U.S. Embassy denied their request, such denials can and do also come from within the Colombian military organization before the request ever reaches the Embassy.

U.S. helicopters are also routinely made available for emergency evacuations or unforeseeable humanitarian emergencies.

10. Why are you ending funding for a major intelligence program in country (Bogotá DEA-led) that recently helped bring down a major leader in the AUC (number 3 in AUC leadership), just when you are saying you are going after these major kingpins? Are we serious about helping bring the FARC leaders to justice in the USA on these federal drug charges?

Answer:

We are indeed committed to the fight against narcoterrorism in all its forms in Colombia. We are not ending funding for the intelligence program to which this question refers, despite its lack of success, but have been unable to transfer the \$5 million to DEA as requested by Congress until Congressional holds have been lifted from the ACI account and the money is available for obligation. Now that those holds are lifted, we will make the transfer.

11. Your office told the International Relations Committee in a letter dated March 14, 2006 that you are replacing lost spray planes by taking money from existing police operations and maintenance programs. Were the Colombian National Police consulted on this reallocation and shift in funding priorities for the plane replacement plan? How will this affect routine upkeep of the older aircrafts? Some of the replacements prior to this have been training aircraft; are these adequate replacements? Will they be used to spray for coca and poppy? How have they been upgraded from Trainers?

Answer:

The Colombian National Police (CNP) were consulted on the purchase of the spray planes, and support our use of interdiction and eradication funds to purchase new spray planes.

While the spray plane purchase does represent a reallocation of funds, it does not represent a shift in funding priorities, since our highest priority has always been illicit crop eradication. Rather, it represents an opportunity for best use of FY2005 funds that

were not expended during that fiscal year. Routine upkeep of older aircraft will not be affected by this purchase.

A very small number of spray planes now in use were formerly training aircraft. Training aircraft are converted to mission spray status by applying upgraded safety features such as bullet-proof glass and passive armor panels to the existing airframe to make them equivalent to their non-trainer counterparts. Those trainers that are not capable of accepting such upgrades are used exclusively at Kirtland AFB or Patrick AFB as trainers.

12. ARTICLE 98: Twelve out of 21 nations in Latin America have been suspended from U.S. military training and aid programs because of the International Criminal Court rule, the Article 98 issue, including Brazil, Peru, Costa Rica, Ecuador, Bolivia and Uruguay, and most recently Mexico. Is this compromising the quality of our counternarcotics programs? We are seeing increasing flows of illegal drugs and human trafficking across Ecuador's northern border with Colombia. Since Ecuador has not signed an Article 98 agreement with the United States, essential equipment and training are not available to them. The Defense Department – in the new Quadrennial Defense Review – calls for unlinking military training programs from the International Criminal Court. Where does State Department INL stand on this question?

Answer:

INL supports the laws passed by Congress and their implementation by the Administration. The American Servicemembers' Protection Act (ASPA) prohibits the provision of military assistance – Foreign Military Financing (FMF), International Military and Education Training (IMET), and Excess Defense Articles (EDA) – to certain parties to the Rome Statute of the International Court. This ASPA prohibition may be waived with respect to any country that has entered into an Article 98 agreement with the United States or where the President has determined that it is important to the national interest of the United States to do so. The ASPA has been an important impetus for the conclusion of 102 bilateral Article 98 agreements, which ensure that our service men and women, U.S. officials, and U.S. nationals will not be surrendered to the International Criminal Court without the consent of the United States Government. At the same time, we are considering how we might ensure that we continue the important IMET programs that have been impacted by the ASPA prohibitions. ASPA, however, does not prohibit funding for U.S. counternarcotics programs, which are provided under other authorities. Since neither Department of State (INL) nor Department of Defense counternarcotics funds are limited by ASPA, INL's programs are not directly affected and we do not believe that the quality of INL's counternarcotics programs has been directly compromised.

13. In January, State Department gave written notification to Congress that you were moving money to purchase new aircraft. Apparently this didn't happen and just a few weeks ago you sent us another written notification saying you are finally doing what you aimed to do in January? Why didn't you proceed in January? When will aircraft arrive and begin spraying?

Answer:

In January we submitted the first Congressional Notification requesting a reprogramming of \$7,400,000 from FY 2005 eradication funds to procure additional spray aircraft for Colombia. We were then required to submit a report mandated by the FY06 Managers Report providing an analysis of aircraft procurement options 30 days in advance of obligating funds. We submitted this report in February and were then instructed to resubmit the notification. The duplicate notification was submitted in mid-March, and we received final Congressional approval for these purchases at the end of March of this year. We subsequently awarded a contract, and we expect that all three aircraft will be in Colombia before the end of 2006.

The replacement aircraft will support Colombia National Police (CNP) operations nationwide and add needed capability to support CNP campaigns to eradicate coca and opium poppy. The aircraft will help us sustain our record levels of aerial eradication and to counteract continued aggressive replanting by coca farmers.

14. Why is there a reluctance to sponsor a fourth spray package when the program has been a success? Isn't the money invested obtaining the results we want? Since the spray package has been abandoned, what specific areas will INL focus on?

Answer:

A fourth spray package would require an increase of approximately \$100 million in annual operating budgets, in addition to the initial purchase costs of the aircraft. The amount needed to support a fourth spray package represents an increase of approximately one-third of our entire eradication and interdiction budget.

Because such a large budget increase is unrealistic in today's fiscal climate and because the addition of a fourth spray package would move us further from the goal of nationalizing our spray program, we have not requested funding for a fourth spray package.

We have instead focused on using the three spray packages we have to maximum efficiency, an approach that yielded a record spray campaign in 2005 (over 140,000 hectares of illicit crops sprayed). We will continue our current approach, targeting both historic cultivation areas as well as newly discovered areas, as we work with the Colombians to nationalize our spray program.

15. In the Andean region, the role of licit traditional industries, such as coffee, oil, wood products, flowers, exotic fruits and vegetables, poultry, beef, and a host of other agricultural and nonagricultural products are integral to the war on narco-terrorism an alternative to drug cultivation and a legal, safer livelihood. How can the U.S. Congress help promote these licit industries in the Andean region?

Answer:

The U.S. Congress has already done quite a lot to support Alternative Development programs that stimulate production of traditional crops and industries that provide alternatives to drug cultivation. For example, alternative development programs in Colombia have supported the expansion of numerous crops/products including: palm hearts, coffee, specialty coffee, cocoa, oil palms, white beans, yucca, bananas, flowers, hot and sweet peppers, tomatoes, cotton, dairy products, cattle, chickens, hogs, vanilla, rice, corn, soybeans, plantains, pineapples, oranges, pineapples, passion fruit, papaya, exotic fruits and spices. Using funds approved by Congress during the period FY 2001-2006, USAID has helped farmers establish more than 97,000 hectares of licit crops and has helped more than 75,000 farm families with alternative development assistance. Continued production and marketing assistance is needed to ensure that these families have the technical and marketing knowledge required to remain competitive in production of the crops they currently produce and are able to diversify into additional crops/products that can provide licit employment opportunities in the future.

Expansion of traditional crops/products has been constrained in some areas by security concerns, which limit the ability of private firms to invest in processing and marketing facilities for traditional crops/products. Continued support for programs to expand state presence and improve security in drug production areas will have a beneficial impact on production of traditional crops/products. Of course, there are still many areas that do not receive alternative development assistance, and illicit crop production has expanded in some of these areas – often as a response to eradication and interdiction pressure in areas that receive alternative development assistance. Continued support for alternative development programs will allow these programs to reach more farmers and help farmers transition from illicit drug crops to traditional licit crops/products.

Support for a Free Trade Agreement with Colombia, Peru and other drug producing countries will also contribute to increased production of traditional crops/products. A Free Trade Agreement will increase employment for Colombians that might otherwise be engaged in production of drug crops or other narcotics trafficking activities. It will also strengthen the Colombian economy and increase tax revenues, which can be used to expand state presence and the Colombian Government's counternarcotics programs.

16. It has come to my attention that many of the U.S. Customs laws and EPA restrictions are highly restrictive, overly cumbersome and bureaucratic and hurt the promotion of licit trade in Latin America? What areas are of concern and which industries could benefit from an easing of restrictions?

Answer:

Because the mission of the Bureau for International Narcotics and Law Enforcement Affairs does not cover trade or trade barriers, we are not qualified to provide an authoritative answer to your question. However, our direct partnership with USAID and indirect partnership with U.S. economic and trade offices in our embassies overseas support our belief that U.S. free trade policy can assist in many facets of our counternarcotics efforts, most notably in economic development and job creation.

In the case of Colombia, we believe that implementation of the Free Trade Agreement in Colombia will yield economic results that will strengthen Colombia's struggle against the drug trade.

17. It seems to me that you have a front row seat in seeing the needs of the people of drug producing countries. Is there interagency collaboration between INL and USTR? Your "boots on the ground" knowledge could be valuable to our USTR Representatives and also valuable to the farmer and factory work to help them emerge their markets globally.

Answer:

Though INL is focused on counternarcotics and law enforcement assistance, the Narcotics Affairs Sections in our embassies, as well as USAID missions, form part of each embassy's country team and have worked together on topics such as protection of small farmers from unwarranted aerial eradication of their crops. The natural Embassy counterparts of USTR are the Economic and Commercial Sections and USAID, and Washington mirrors those relationships, but INL representatives might be able to offer useful observations from time to time.

As is well known, a major impediment to further economic development in much of Latin America is the lack of security in rural and remote areas. In that regard, INL already plays a critical part in bringing about the stability that can underpin expanded production and trade. INL will meet with any appropriate USG counterparts and provide them with any appropriate support to help foster strong, independent, drug-free allies abroad.

18. This Subcommittee has raised the topic of Mycoherbicides on multiple occasions. There has been \$12.5 Million in INL funds marked for Mycoherbicides. What has been done with this money?

Answer:

In 2000, INL obligated \$12 million to the United Nations Drug Control Program (now known as the UN Office on Drugs and Crime) to conduct research on the potential of mycoherbicides to serve as eradication agents against opium poppy and coca.

Using funds provided by the U.S. and other sources, the United Nations Drug Control Program conducted research in Uzbekistan from 1998 through 2002 seeking to identify an environmentally safe mycoherbicide that could safely eradicate Central and South Asian opium poppy. Upon the conclusion of this research project in November 2002, a Technical Expert Review panel convened by the UN concluded that the fungus under consideration does have potential as a bio-control agent for eradication of illicit opium poppy crops. However, the panel stressed that these initial results did not justify immediate use of this fungus and that more research was required, especially on environmental safety, before considering use of this fungus as an eradication technology. Further research would require field testing in environmental conditions native to the cultivation of opium poppy. In Afghanistan, for instance, another practical problem is the possibility of a spillover effect that could damage licit opium poppy crops in India and Turkey. The United Nations Office on Drugs and Crime has no plans to conduct additional research until such time as a state willing to host such testing can be identified. To date, no state has expressed a willingness to host field testing.

At one point, the UN also planned to conduct field tests using mycoherbicides against Colombian coca, but the Colombian Government refused to discuss initiating such tests. The chemical glyphosphate, which is currently used in Colombia, is 90 percent effective. It is approved for use in Colombia and in the United States and has been shown to have no adverse effects on human health or the environment.

Considerable additional research and field testing would be needed to determine the efficacy and environmental safety of a mycoherbicide before such a program would be ready for widespread use to eradicate opium poppy or coca.

19. We held a hearing in November where we had a Colombian Admiral state how important air assets were to stopping Drug Smugglers in the waters off Colombia. He mentioned the importance of equipping the helicopters with night vision capabilities. We were told in a State Department letter sent to us in January that a number of helicopters were to be equipped with the necessary hardware and should be ready by now, what is the status of these helicopters? If no, what has been the delay?

Is the State Department still waiting until spring to begin work on all aircraft? Witnesses at the hearing, and professionals I later consulted with say, it takes no more than 3 weeks to make the cockpits of these aircraft night flying comparable, and just 2 weeks at a minimum to train the pilots on Night Vision Goggles. What are the reasons for delay?

Answer:

We are working to upgrade all the Bell 212 cockpits to military standards for full NVG compatibility. Night-vision upgrades began on December 12, 2005. As discussed in our letter, we anticipate a 22-month period to rewire the entire Bell 212 fleet stationed

in Santa Marta. The first two NVG-compatible aircraft were completed early in 2006 and modifications have been completed on a third aircraft, which is currently in testing. Work is ongoing on a fourth aircraft, which we anticipate will be ready for testing in early June.

The Bell 212 program currently has six pilots and six co-pilots, nine mechanics, and five gunners, all of whom have previously received night-vision-goggle (NVG) training. Bell 212 NVG flight training is ongoing. We completed an initial tranche of training in spring 2006 and await the Colombia National Police's plan for staffing NVG flight operations out of Santa Marta before additional training can be conducted.

The CNP Aviation program has evaluated the NVG compatibility of every rotary wing aircraft in its fleet. A broad spectrum of work is required to bring all the Huey IIs up to standardized NVG compatibility. That work is not yet planned as there is currently a shortage of Huey II pilots for routine daytime missions, effectively rendering nighttime operations impossible. We continue to work with the CNP at the highest level on the overall issue of aviation program staffing and utilization to address this issue.

20. This Subcommittee has been very interested in the establishment of the ILEA in El Salvador and we are glad to hear that it is up and running. Could you give us a summary of INL's priorities for the ILEA? Is the ILEA including "Rule of Law" or "Culture of Lawfulness" in its training as our friends in Colombia and Mexico have?

Answer:

The curriculum for the ILEA has been completed based on the findings of the Needs Assessment and Key Leaders processes that included representatives from all countries participating in ILEA training. As a result of those processes, our priorities for the ILEA are primarily leadership development, crime scene management, human rights, counterterrorism, counternarcotics, anti-gangs, organized crime, financial crimes and public/police corruption.

The ILEA will have regular iterations of the six-week program, which will include segments addressing the above listed priorities, as well as a series of one or two week specialized courses to provide concentrated training to address specific issues. For example, upcoming specialized courses will cover Police Executive Role in Combating Terrorism and Financial Crimes Investigations. INL and the Department of Justice are presently developing an anti-gangs program that will become a standard feature of the ILEA training calendar. A Curriculum Development Conference to design the program will be held June 6, 2006 in San Salvador. Three courses are projected between late 2006 and mid 2007.

The curriculum will also include a Culture of Lawfulness (COL) program. INL held a meeting with the National Strategy Information Center (NSIC) and the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD) to develop a strategy for the implementation of a COL initiative. In

addition to these organizations, the governments of Colombia and Mexico will be invited to assist with the envisioned project for ILEA San Salvador.

The COL initiative was presented to the ILEA Steering Group for approval on May 11, 2006. In the initial phase of implementation, CICAD and NSIC representatives along with INL's ILEA management team will design a specialized course that could be ready for delivery in the coming year. Upon successful completion of the pilot program and post-training evaluation, we anticipate that the course will become an integral part of the ILEA training curriculum.

21. How does INL prioritize and balance its illicit crop eradication program with its operations to dismantle narco-trafficking organizations? For example, if crucial intelligence is received concerning the location/movement of a trafficking organization, will INL pull assets from an eradication program in order to pursue this intelligence? Does INL designate certain assets to pursue narco-trafficking intelligence, and other assets to conduct eradication of illicit crops? How does INL prioritize eradication and the pursuit of High Value Targets (HVTs) in Colombia?

Answer:

We are committed to ensuring the most effective use of U.S. resources in supporting Colombia's fight against narcotics trafficking and terrorist organizations. U.S. helicopters made available for Plan Colombia and CNP air operations are often requested by the Colombian military to support their counter-terrorist operations, especially those pursuing HVTs. Those requests are normally granted.

However, the finite number of helicopters in Colombia means that not all counter-drug and counter-terror missions can be carried out simultaneously or immediately. Consequently, the Embassy prioritizes the use of available helicopters. Our approach seeks to balance competing needs in a manner that is both timely and reflects U.S. legislation.

The Embassy responds to Colombian requests quickly and routinely, often authorizing use of air assets within an hour or two of a mission being requested. As a concrete recent example, on May 23, 2006, the Embassy received at approximately 1015 a request for 12 helicopters to support an HVT. NAS Bogotá reviewed the location and status of all assets in the CNP fleet, and a discussion among all American and Colombian intelligence, military, and NAS players was convened at 1200 with the Ambassador. A decision was reached by 1230 to authorize use of 11 CNP helos – the maximum number available in the vicinity without impacting spray operations – to support the mission (which was later called off due to weather).

In 2005, of 40 requests for helicopter support, 36 were approved. Only four requests were denied – either because there were competing military HVT missions of higher priority (and insufficient assets for both) or because Embassy military,

intelligence, and civilian staff came to the conclusion the missions were unlikely to succeed as proposed.

22. Balloon Effect: While Venezuela and Brazil have managed to avoid large-scale cultivation of coca and poppy, success in Colombia may force drug producers to look elsewhere. Where do you see the greatest threat of spillover in cultivation from Colombia, Peru? Bolivia? What do recent seizures of opium latex tell us about shifting trafficking patterns?

Answer:

Colombia remains far and away the world's top cultivator of coca and top producer of cocaine, and Colombia's status is unlikely to change in the foreseeable future. The CIA's Crime and Narcotics Center (CNC) estimated increased coca cultivation in both Bolivia and Peru for 2005, but the estimated increase for Colombia was even larger.

The most significant dynamic in illicit crop cultivation appears to be movement into new areas within Colombia to escape our aerial eradication program, rather than movement into those neighboring countries. For instance, Venezuela and Ecuador still do not see significant cultivation of illicit crops as a result of USG-supported counternarcotics programs in Colombia.

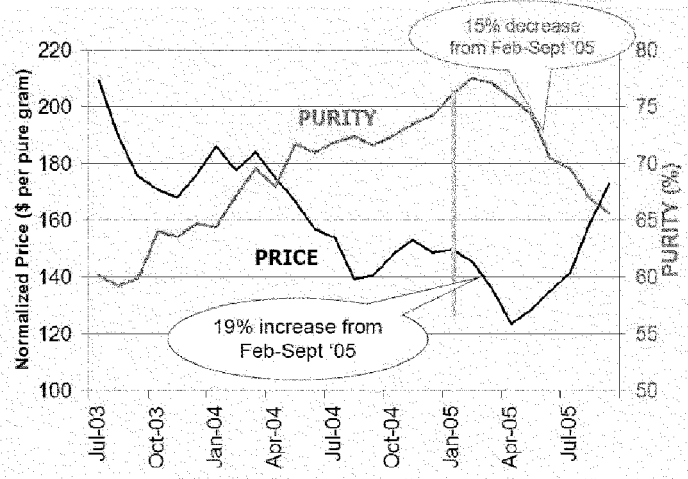
The Government of Colombia has reported a 23 percent decline in the amount of heroin seized over the last 12 months (May 2005 through April 2006 compared to the prior twelve month period), and USG estimates of opium poppy have declined from a high of 6,540 hectares in 2001 to 2,100 hectares in 2004 (cloud cover prevented a 2005 estimate). However, a longer-term reduction in heroin seizures and another decline in estimated opium poppy cultivation for 2006 would have to be observed before definitive statements could be made about changes in heroin production in Colombia.



Report on Progress in Colombia

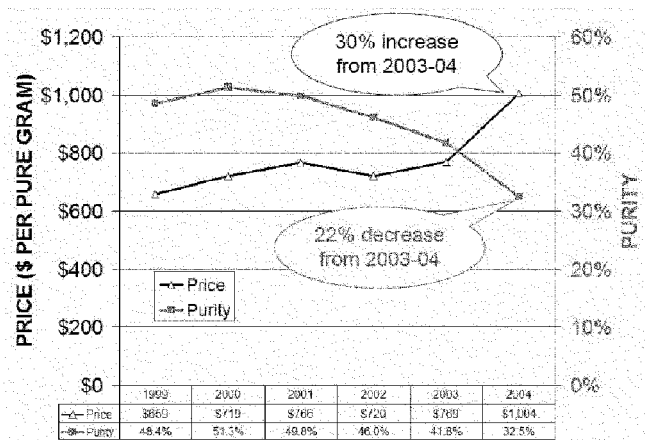
John P. Walters, Director
Office of National Drug Control Policy
Briefing to: FOREIGN PRESS CENTER
November 17, 2005

Purity of South American Cocaine at the Retail-Level Has Dropped While the Price Has Increased



Source: IDA analyses of STRIDE, Jul 2003 to Sept 2005, Nov 2005

Purity of South American Heroin at the Retail-Level Has Dropped While the Price Has Increased



Source: Domestic monitor Project (DMP), average of all program samples, DEA-05017, June 2005

Drug War Monitor

DECEMBER 2004

Are We There Yet? Measuring Progress in the U.S. War on Drugs in Latin America

by John M. Walsh

For the first time in 20 years ... we are on a path to realize dramatic reductions in cocaine production in Colombia, and a complementary reduction in the world's total supply of cocaine ... This reduction in cocaine supply will contribute substantially to achieving the Administration's goal of reducing U.S. cocaine consumption 25 percent by 2006 ... The challenge before us is to stay the course and ensure the success that is within sight.¹

—John Walters, Director, Office of National Drug Control Policy (ONDCP), June 2004.

Decisively disrupting the flow of cocaine from South America to the United States—a long-sought objective in the U.S. “war on drugs”—is now within reach, according to the White House’s Office of National Drug Control Policy (ONDCP). Citing recent coca eradication gains, especially in Colombia, U.S. drug czar John Walters foresees the possibility of “a major and permanent disruption of the illicit drug industry.”²

But, how close are we, really, to crippling cocaine production and smuggling? Are we on the verge of experiencing a significant reduction in the availability of cocaine in the United States? And, would these hoped-for reductions in U.S. cocaine supply actually translate into less cocaine use?³

The Numbers Game

The debate over the U.S. drug war in Latin America has become engulfed by a flood of numbers—hectares of drug crops destroyed, tons of drugs seized, number of arrests made, and so on. In its most recent *International Narcotics Control Strategy Report*, or INCSR, the State Department claimed that the United States and its allies had “limited drug crop expansion, strengthened interdiction efforts, destroyed processing facilities, and weakened major trafficking organizations.” The INCSR cited an array of numbers to demonstrate the progress made. For example, according to the INCSR, the United States and its allies enjoyed “a good year” on the interdiction front in 2003, pointing out that:⁴

- ▶ Colombia recorded especially impressive interdiction results. Colombian counternarcotics forces destroyed 83 HCl [cocaine hydrochloride] laboratories in 2003 ... captured more than 48 tons of cocaine/cocaine base, 1,500 metric tons of solid precursors and 750,000 gallons of liquid precursor processing chemicals.
- ▶ Mexican authorities seized over 20 metric tons of cocaine hydrochloride during 2003.
- ▶ Bolivian counternarcotics forces ... nearly tripled cocaine seizures in 2003. At year’s end, Bolivian forces had seized 152 metric tons of coca leaf, 13 metric tons

A WOLA BRIEFING SERIES

A publication of WOLA’s Drug Democracy and Human Rights project, which examines the impact of drug trafficking and U.S. international drug control policies on human rights and democratic reform trends throughout Latin America and the Caribbean.



of cocaine, 8.5 metric tons of cannabis, and nearly 1,100 metric tons of liquid and solid precursor and essential chemicals.

- In 2003, Peruvian government forces had seized approximately four metric tons of cocaine base and 3.5 metric tons of cocaine HCl.⁵

Because they offer the aura of objectivity and precision, numbers are the coin of the realm in debates over public policy, including drug control, and have created the impression that we are measuring drug control progress in a sophisticated and meaningful way. Lately, the figures have emboldened the Bush administration and many in Congress to announce major progress and to predict great victories just ahead in the long-running war on drugs.

Because they offer the aura of objectivity and precision, numbers are the coin of the realm in debates over public policy, and have created the impression that we are measuring drug control progress in a sophisticated and meaningful way.

But a healthy skepticism is in order regarding numbers put to use in the political arena, especially numbers swirling around a highly-charged issue like illicit drug control.⁶ It is worth asking if crop eradication and drug seizure figures really provide the kind of mileposts we need for measuring progress in drug policy—and if not, what kinds of measures should we use instead? These are not esoteric questions, but go to the heart of the challenge of responsible policymaking: candidly and rigorously evaluating whether our policies are working or not.

Setting Goals

Measuring progress first requires some agreement upon our ultimate destination. That the United States has yet to achieve a durable consensus on the basic goals of illicit drug control policy is apparent in the changing priorities expressed over the years in ONDCP's annual strategy documents.⁷ The transition from the presidency of Bill Clinton to that of George W. Bush resulted in an especially sharp redefinition of what constitutes drug policy success.

In 1998, under President Clinton, ONDCP set forth a ten-year strategy with the goals of reducing illicit drug use, reducing the adverse consequences of drug use and trafficking, and reducing availability (see Table 1).⁸ These three principal "mission areas" of the 1998 strategy incorporated a dozen "impact targets," such as reducing the prevalence of drug use among youth, reducing the number of chronic drug users, and reducing the rate of crime associated with drug trafficking and use. The goals and their targets were understood to be overlapping and complementary aspects of the overall drug control effort. The 1998 strategy recognized that the "drug problem" has many dimensions, requiring the simultaneous pursuit of multiple goals.

By contrast, the Bush administration has articulated only one set of drug policy goals (see Table 2),⁹ focused entirely on reducing the prevalence of current illicit drug use (the percentage of people estimated to have used illicit drugs in the past thirty days). Reducing the prevalence of illicit drug use is a worthy goal, and was among the goals defined in the 1998 strategy as well, but it is only one aspect of the challenge. The focus on prevalence alone ignores the crucial distinction between light and heavy drug use. Those who consume high dosages of illicit drugs at frequent intervals constitute a minority of all drug users, but because of the intensity of their drug use, these heavy users account for the bulk of drugs consumed and contribute disproportionately to the problems associated with drug abuse, such as crime and the spread of HIV/AIDS and hepatitis C.¹⁰ Somewhere between one-fifth and one-quarter of all current (past-month) cocaine users account for about four-fifths of the cocaine sold in America.¹¹

Therefore, even a steep decline in the prevalence of use of a given drug may have very little impact on the overall amount of illicit drugs consumed, the total revenues of the illicit drug market, or the severity of the social problems generated and aggravated by drug abuse. Moreover, the Bush administration's chosen prevalence-reduction goals do not distinguish between types of illicit drugs, but lump them all together. This means that "success" could be achieved almost solely on the strength of reductions in the prevalence of marijuana use, even if the prevalence of cocaine and heroin use were to remain the same or actually increase.

Meanwhile, a strict focus on the percentage of a given population estimated to be using drugs may mask increases in the absolute numbers of drug users, because the overall population continues to grow. A 2003 survey sponsored by the National Institute on Drug Abuse estimated that 2.3 percent of high school seniors were current (past thirty days) cocaine users in 2002, identical to the percentage in 1997. But according to U.S. Department of Education figures, there were about 300,000 more high school seniors nationwide in 2002 than in 1997, meaning that some 7,000 more seniors were current cocaine users in 2002 than was the case in 1997.¹²

Those who consume high dosages of illicit drugs at frequent intervals constitute a minority of all drug users, but because of the intensity of their drug use, these heavy users account for the bulk of drugs consumed.

Table 1: 1998 National Drug Control Strategy Goals
(Presidency of Bill Clinton)

SUPPLY		DEMAND	
25% by 2002 50% by 2007	Reduce the availability of illicit drugs in the United States	Reduce the demand for illicit drugs in the United States	25% by 2002 50% by 2007
15% by 2002 30% by 2007	Reduce the rate of shipment of illicit drugs from source zones	Reduce the prevalence of drug use among youth	20% by 2002 50% by 2007
10% by 2002 20% by 2007	Reduce the rate of illicit drug flow through transit and arrival zones	Increase the average age of new users	12 mos. by 2002 24 mos. by 2007
20% by 2002 50% by 2007	Reduce domestic cultivation and production of illicit drugs	Reduce the prevalence of drug use in the workplace	25% by 2002 50% by 2007
10% by 2002 20% by 2007	Reduce the trafficker success rate in the United States	Reduce the number of chronic drug users	20% by 2002 50% by 2007
CONSEQUENCES			
15% by 2002 30% by 2007	Reduce the rate of crime associated with drug trafficking and use	Reduce the health and social costs associated with drug use	10% by 2002 25% by 2007

Source: ONDCP Performance Measures of Effectiveness: A System for Assessing the Performance of the National Drug Control Strategy, 1998.

Table 2: 2003 National Drug Control Strategy Goals
(Presidency of George W. Bush)

Two-Year Goals:	A 10 percent reduction in current use of illegal drugs by eighth, tenth, and twelfth graders. A 10 percent reduction in current use of illegal drugs by adults age 18 and older.
Five-Year Goals:	A 25 percent reduction in current use of illegal drugs by eighth, tenth, and twelfth graders. A 25 percent reduction in current use of illegal drugs by adults age 18 and older.

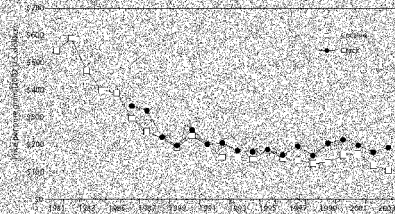
Source: ONDCP National Drug Control Strategy 2003.

The Real Targets: Measuring Drug Prices and Drug Use

As of mid-year 2003, the estimated retail prices per pure gram of both powder cocaine and heroin were less than a fifth of their 1983 prices. Crack cocaine cost 24 percent less at mid-year 2003 than it did in 1983. The cocaine and heroin price trends are dramatic, especially for purchases in small amounts, but the variation occurs within a fairly narrow band, particularly in recent years (see Figure 1). In the case of heroin, retail prices have fallen steadily year since 1983 (see Figure 2).

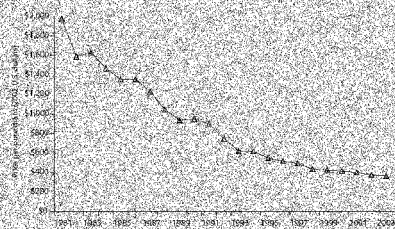
Note: The price and purity series cover the period from 1981 through the first half of 2003 for powder cocaine and heroin, and from 1986 through the first half of 2003 for crack cocaine. The price estimates are expressed in 2003 constant dollar to control for inflation.

Figure 1: U.S. Retail Prices of Cocaine and Crack (purchases of 2 grams or less of cocaine, 1 gram or less of crack)



* 2003 figures are based on data for January data only.
Source: Prepared for the Office of National Drug Control Policy (ONDCP), obtained by WOLA from an official release.

Figure 2: U.S. Retail Price of Heroin (purchases of 1 gram or less)



* 2003 figures are based on data for January data only.
Source: Prepared for the Office of National Drug Control Policy (ONDCP), obtained by WOLA from an official release.

The purity levels of cocaine and of heroin use steeply during the 1980s and have remained fairly stable since. The purity of crack cocaine declined very gradually through the 1990s, but has increased somewhat in recent years (see Figure 3). The figures shown here report trend data (relative) on purchases of 2 grams or less of cocaine (1 gram or less of crack or heroin). But essentially the same trends hold for larger amounts as well. The 2003 price and purity data tables are available on WOLA's website (<http://www.wola.org/>).

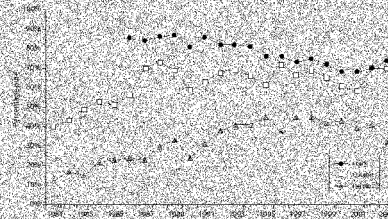
It should be noted that the price and purity data are not without their own weaknesses. The DEA database from which the estimates are derived (System 6) contains information from Drug Evidence or 3 (DEA) containers, neither a representative nor random sample of the illicit drug market. But, DEA's database contains data describing an enormous number of drug market transactions recorded in a systematic manner over many years. In the hands of well-trained researchers, the SLE database yields important information about drug markets, and provides the best available means for measuring the extent of supply control efforts, reduced availability as measured by higher prices.

It might be thought that the downward price trends be as much a function of slackening demand as of abundant supplies. The evidence thus far points to an interdependence of cocaine and heroin use, which to be at least stable, if not rising. The Bush administration cited the recent results from the Monitoring the Future (MTF) study survey¹⁰ to claim that "cocaine use among young people in America declined by 14 percent" from 1991 to 2003.¹¹ But the MTF findings are not borne out by the government's other major drug use survey, the household-based National Survey on Drug Use and Health (NSDUH).

Design changes in the NSDUH have meant that findings from 1993 years are not directly comparable to the results of more recent surveys. One upward trend in current cocaine use over the past ten years is clearly evident (see Figure 4).¹ The number of current cocaine users rose from an estimated 1.4 million in 1994 (1993 survey) and then rose from about 1.55 million to 1.68 million (1999-2000 survey). From 2002 to 2003, the number of current cocaine users rose from 2.02 million to 2.28 million, including sizeable increases among teenagers (up 57,100) and people in their twenties (up 94,000). Compared to 2002, the 2003 NSDUH also found a 7 percent increase in the number of current crack users and a 1 percent increase in the number of people dependent on or abusing cocaine. Moreover, the 2003 survey found the number of new cocaine and heroin users to be considerably higher in recent years than in the early 1990s. There were two thirds more first-time cocaine users in 2002 than in 1993, and 50 percent more first-time heroin users. Mean age use of cocaine and heroin use is beginning at younger ages (see Figure 5). The average age at first use of cocaine fell from 22.1 years in 1993 to 20.3 years in 2002; for crack, from 18.5 to 20.7 years, and for heroin from 25.5 to 21.4 years.

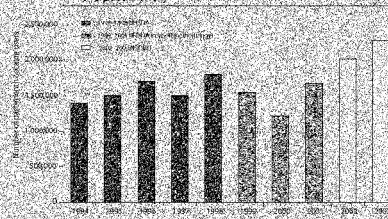
The NSDUH data indicated rising cocaine and heroin use was accompanied by trends in drug-related hospital emergencies as measured by the Drug Abuse Warning Network (DAWN) from 1995 to 2002: rates of cocaine and heroin-related emergency department episodes rose by one third and one fifth, respectively.²

Figure 3: Purity of Retail-Level Cocaine, Crack and Heroin (purchases of 2 grams or less of cocaine, 1 gram or less of crack and heroin)



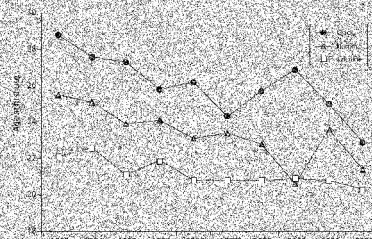
¹2003 figures are based on data for January data only. Sources: Prepared for the Office of National Drug Control Policy (ONDCP), Released by WGLA prior to public release.

Figure 4: Estimated Numbers of Current Cocaine Users (persons aged 12 or older using cocaine within the past month)



Sources: U.S. Substance Abuse and Mental Health Administration (SAMHSA), National Household Survey on Drug Abuse (NHDA) 1994-2003; National Survey on Drug Use and Health (NSDUH) 2002-2003.

Figure 5: Average Age at First Use of Cocaine, Crack and Heroin



Sources: U.S. Substance Abuse and Mental Health Administration (SAMHSA), National Survey on Drug Use and Health, 2003.

Making decreased prevalence of illicit drug use the sole goal of national drug policy may be politically astute—it makes it easier for the Bush administration to claim success than if more comprehensive and ambitious goals were set forth. But in the real world, even if the administration achieves resounding success on the narrow goals it has set, the scope and severity of illicit drug abuse and its attendant problems in the United States will likely remain very much the same.

This critique of the Bush administration's choice to define illicit drug control success strictly in terms of prevalence is no mere quibble. But since a more complete discussion of the appropriate goals of drug policy is beyond the scope of this document, we will proceed on the premise that a major—though not exclusive—goal of U.S. drug policy ought to be reducing overall consumption of illicit drugs. “Reducing consumption” should be understood to mean not simply reducing the overall prevalence of use but shrinking the total amount of drugs consumed as well. For the U.S. war on drug supplies in Latin America, the goals can be expressed more specifically as reducing overall U.S. cocaine and heroin consumption. Future U.S. governments will doubtless agree that this is a worthwhile goal. So if reducing U.S. cocaine and heroin consumption is the destination, how, exactly, are source-country and interdiction efforts supposed to help us get there?

Supply reduction efforts aim to make drugs more expensive, less potent and less available, but the record is dismally clear: since the early 1980s, U.S. cocaine and heroin prices have actually fallen dramatically, while purity levels have risen and then remained fairly stable.

Raising Prices: Hopeful Theory, Stubborn Reality

Since the early 1980s, U.S. policy has sought to reduce the supply of cocaine and heroin by curbing drug production in the source countries and by seizing shipments en route. Attacking supply overseas aims to reduce the availability of illicit drugs in the United States enough to drive up prices and drive down purity. In theory, these higher prices for lower-quality product would then reduce drug use, both by dissuading people from ever becoming involved with drugs and by prompting those who are already using drugs to seek treatment or otherwise cut back on their consumption.

Until fairly recently, the conventional wisdom in the drug control field held that trying to discourage illicit drug consumption by making drugs more expensive was unlikely to accomplish much, on the assumption that heavy or frequent users of illicit drugs were not very sensitive to changes in price. However, most analysts now agree that price does matter, and that price increases, if they could be achieved, would help to reduce consumption.¹³ Demand for illicit drugs like cocaine and heroin is now considered to be somewhat elastic with respect to price, such that a 1.0 percent increase in price should reduce consumption by somewhere between 0.2 to 1.0 percent.¹⁴

ONDCP's 2004 *National Drug Control Strategy* asserts that the “main reason supply reduction matters to drug policy is that it makes drugs more expensive, less potent, and less available.”¹⁵ Put more accurately, supply reduction efforts *aim* to make drugs more expensive, less potent and less available; whether such efforts succeed or not in this purpose is an empirical question that ONDCP's artful phrasing tries to evade.

Here the record is dismally clear: *Since the early 1980s, U.S. cocaine and heroin prices have actually fallen dramatically, while purity levels have risen and then remained fairly stable.* The most recent and comprehensive analysis shows U.S. wholesale and retail prices for cocaine and heroin to be at or near their historic lows, with purity at or near historic highs (see box, The Real Targets).¹⁶ The latest analysis confirms and updates previously published price and purity trends, which ran through mid-year 2000.¹⁷ The new time series goes through mid-year 2003, and should be of special interest to policymakers because it represents the first look at prices and purity since Plan Colombia began in 2000.

The price-based evidence that U.S. cocaine and heroin supplies remain robust is corroborated by the Justice Department's most recent assessment of the illicit drug threat. The April 2004 report of the Department's National Drug Intelligence Center (NDIC) states:

Both powder and crack cocaine are readily available throughout the country and overall availability appears to be stable ... Law enforcement reporting indicates that heroin remains readily available throughout most major metropolitan areas, and availability is increasing in many suburban and rural areas, particularly in the northeastern United States.⁸

Lack of Impact, But Not for Lack of Effort

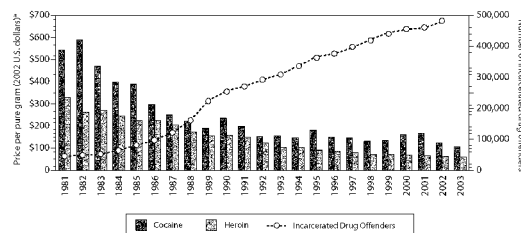
What to make of the fact that the prices of cocaine, crack and heroin are now much lower than they were ten or twenty years ago? It would be one thing if prices had declined during a period of U.S. disinterest and disengagement from the illicit drug problem, but in fact, they dropped during a period of dramatic intensification of U.S. efforts to curtail drug supplies both at home and abroad.

Domestically, the arrest and incarceration of drug dealers has been the central feature of the stepped-up drug war, with a dramatic increase in the number of people behind bars for drug offenses, climbing from fewer than 42,000 in 1980 to more than 480,000 in 2002.²⁵ This eleven-fold increase in the number of incarcerated drug offenders was nearly forty times greater than the growth rate of the U.S. population overall.²⁶

Beyond punishment for its own sake, the unprecedented recourse to incarceration has had the goal of making drugs less available by locking up sellers and deterring others from entering the market—but the relevant evidence emphatically demonstrates that it has not worked out that way (Figure 6). A 2003 study concludes that,

... the incapacitation effect of imprisoning a drug dealer is close to zero. Even high-level drug dealers and entire dealing organizations have proven to be replaceable, with at most, a brief interruption of supply. As long as there are drug buyers, the financial rewards of supplying their drugs will attract new organizations to replace the old. ...²⁷

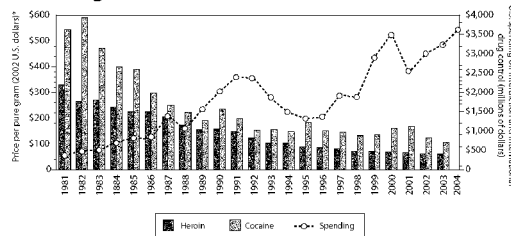
Figure 6: Number of Incarcerated Drug Offenders Against Prices of Cocaine and Heroin



⁸ Note: Prices shown are for purchase of 52g of cocaine, and for 51g of heroin. Heroin prices have been divided by six to fit scale.
Source: Price data prepared for the Office of National Drug Control Policy (ONDCP), obtained by WOLA prior to official release; incarceration data prepared by J. Caulkins and S. Chandler, Carnegie Mellon University.

It would be one thing if prices had declined during a period of U.S. disinterest and disengagement from the illicit drug problem, but in fact, they dropped during a period of dramatic intensification of U.S. efforts to curtail drug supplies both at home and abroad.

Figure 7: U.S. Spending on International Drug Control Against Cocaine and Heroin Prices



* Note: Prices shown are for purchase of ~2g of cocaine, and for ~1g of heroin. Heroin prices have been divided by six to fit scale. Source: Price data prepared for the Office of National Drug Control Policy (ONDCP), obtained by WOLA prior to official release; spending data from ONDCP, National Drug Control Strategy

The indicators traditionally presented as measures of progress in international drug control convey a sense of action and accomplishment, but do not tell us anything about whether progress has been made toward the fundamental U.S. policy goal of making supplies scarce enough to drive up cocaine and heroin prices in the United States.

Similarly, increased spending to control the supply of illicit drugs from overseas has not kept cocaine or heroin prices from falling (see Figure 7). In 1981, the United States spent about \$375 million on source-country drug control and interdiction. In 2004, the United States spent \$3.6 billion for these same purposes, making a total of nearly \$45 billion over the quarter century since 1980, more than one-third of which has been spent during the last five years (2000–2004).²⁸

An important corollary to the obvious failure to drive up cocaine and heroin prices is that reduced drug use over these past two decades cannot plausibly be attributed to source country and interdiction operations. Since prices have not risen, logic dictates that whatever factors may account for reduced use, supply control programs are not among them. For example, prior to the rise in current (past-month) cocaine use since the mid-1990s, the *National Household Survey on Drug Abuse* found that the number of current cocaine users declined from an estimated 5.7 million in 1985 to 1.5 million in 1995.²⁹ Over this period, cocaine's retail price fell fairly steadily, and in 1995 the price stood at less than half its 1985 level.³⁰ Clearly, the number of current cocaine users fell for reasons other than rising cocaine prices.

Light at the End of the Supply-Side Tunnel?

To put it mildly, the supply-side track record does not inspire confidence—but might real success be just over the horizon? The Bush administration's case that we are within reach of "a major and permanent disruption of the illicit drug industry" rests largely on reported gains in terms of crop eradication, drug seizures and related indicators. Officials have predicted with apparent confidence that the increases recorded in coca eradication and cocaine seizures will translate into higher U.S. prices by mid-year 2005.³⁴

The array of indicators traditionally presented as measures of progress in international drug control—hectares of crops eradicated, tons of drugs seized, number of arrests made, and so on—undoubtedly convey a sense of action and accomplishment, and give us a sense of the pace at which overseas drug control activities are being conducted. But the number of drug control operations conducted and their immediate accomplishments

do not tell us anything about whether progress has been made toward the fundamental U.S. policy goal of making supplies scarce enough to drive up cocaine and heroin prices in the United States.

The Mirage of Success

Traditional drug war indicators—even when they are properly understood as measures of activities or operations—are ambiguous and open to conflicting interpretations. Indeed, the very figures typically trumpeted as evidence of supply-side drug control progress can just as easily be read as evidence of a stalemate or a worsening situation. For example, larger and more frequent drug seizures are often presented as evidence of policy success, and lauded as a testament to more vigorous enforcement, but they may simply reflect increased drug production and trafficking. Or they may be the result of both more enforcement and more drugs in circulation—the seizure statistics themselves provide no clue.

Activity-based indicators are not only ambiguous but may be downright misleading, lending themselves all too easily to painting a picture of progress that is not only at odds with a more sobering reality, but serves to mask that reality—the continuing abundance of drug supplies. Much like the body counts used to gauge U.S. progress in the Vietnam War, eradication and seizure indicators can reassure us that victory is in sight even as we sink deeper into the quagmire.⁷² When the indicators relied upon to gauge success do not address the central policy goals, even quite strong performance at the tactical level may end in strategic failure.

The risk that activity-based indicators may be used to paint a rosier drug control picture than is warranted is magnified when the agencies with a stake in demonstrating success are themselves compiling and presenting the data. For example, State Department officials maintain that the programs carried by its drug control bureau are “demonstrably effective” in supporting efforts “to reduce the availability of illicit drugs in our country.”⁷³ But the INCSR’s activity-based indicators never address the main question—namely, whether cocaine and heroin are less available on U.S. streets.

With years of repetition, it has become difficult for the public and policymakers to understand drug policy in terms beyond those of crop eradication, seizures and the like. However, as detailed below, there are three main reasons why these traditional indicators are unreliable—and even dangerously misleading—when used as measures of drug control success. Each of the problems described below is serious in its own right. Considered all together, these problems make clear that business as usual is untenable and that different standards of measure are required.

The difficulty in measuring illegal activity

The clandestine nature of the drug trade frustrates accurate quantitative measurement. Participants in an illegal activity obviously do not welcome scrutiny, and go out of their way to avoid detection. This applies not only to the drug smuggler trying to evade the police, but also to the drug user wanting to avoid social disapproval. The true scope and shape of the illegal drug industry will therefore remain substantially beyond our reckoning, leaving us guessing about basic questions such as the amount of cocaine and heroin that traffickers may have stockpiled along their smuggling routes.

Deriving many of the supply-side indicators—especially mainstays such as the land area under drug crop cultivation, potential drug crop harvest, and potential drug production—is often a complex process, full of pitfalls where calculations can go awry.

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Vast uncertainties hide behind the seemingly authoritative official figures, generated by the CIA's Crime and Narcotics Center (CNC) and furnished to the State Department. In the face of this uncertainty, the presentation of numerical estimates as a single figure (a "point estimate") conveys an unwarranted degree of measurement precision. Unfortunately, the State Department's reports are long on such spuriously precise estimates and notoriously lacking in descriptions of the methods and assumptions behind the figures presented.

The land area estimated to be under drug crop cultivation is probably the best-known numerical information published in the INCSR. The State Department considers drug crop cultivation area to be its "most solid statistic," asserting that "proven means, such as imagery with ground truth confirmation" allow for estimates of "reasonable accuracy." By comparison with related figures, such as harvest and drug production estimates, the land area under cultivation may indeed seem to be "relatively hard data."³⁴ But given the inherent measurement uncertainties, presenting the cultivation estimates and related calculations as point estimates—rather than as a range—undermines their statistical credibility. Among the factors behind these uncertainties:

Changes in planting practices. For instance, in response to aerial eradication operations in Colombia, coca farmers are reportedly planting on smaller plots in more remote zones, interspersing their coca with other crops, and taking advantage of taller vegetation to hide their coca from aerial surveillance. The CIA may or may not be confident that its estimation methods account for these practices, but in any case the CIA's methods remain secret, shielded from the scrutiny of independent experts and even from other U.S. drug control agencies. The CIA and State Department expect the public to simply trust their numbers and not worry about the methods, but by insisting on secrecy and then presenting the results as point estimates rather than as more plausible ranges, the CIA and State Department cannot expect their numbers to enjoy scientific credibility.

Variable crop yields. The difficulties in measuring the land area under drug crop cultivation are compounded when estimating the size of the crop harvest and amount of finished drug produced. Such estimates are shaped by numerous factors which may vary by locale and over time, and about which verifiable information is very limited. The State Department itself points out that the actual size of the crop harvest each year can hinge upon "small changes in factors such as soil fertility, weather, farming techniques, and disease."³⁵ Productivity (yield of leaves per bush) also varies over the plant's life, and the number of harvests per year varies by type of coca—factors that can have a dramatic impact on harvest estimates.³⁶ The barriers to collecting the data that inform these numerous, fluctuating parameters are formidable. In the State Department's own words, the "clandestine, violent nature of the illegal drug trade makes such field research difficult. Geography is also an impediment, as the harsh terrain on which many drugs [sic] are cultivated is not always easily accessible, making scientific information difficult to obtain."³⁷

Variable refining capabilities. As uncertain as the harvest estimates are, the drug production estimates represent a further extrapolation, with additional complications posed by different refining proficiencies across trafficking groups. Again in the State Department's own words, production is affected by "[d]ifferences in the origin and quality of the raw material used, the technical processing method employed, the size and sophistication of the laboratories, the skill and experience of local workers and chemists, and decisions made in response to enforcement pressures."³⁸ To illustrate, it has been reported that Colombian coca farmers are coating their plants with

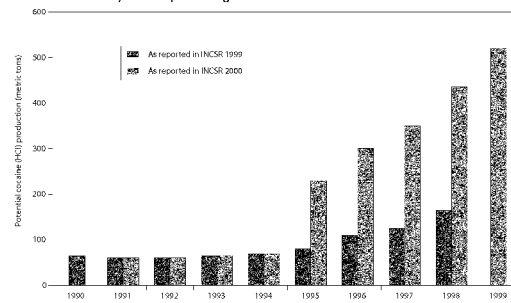
chemicals to protect them from fumigation,³⁹ that certain coca varieties are developing resistance to herbicides,⁴⁰ and that Colombian traffickers have bankrolled genetic research that has resulted in a new, taller variety of coca bush that produces leaves with higher alkaloid content.⁴¹ If true, such developments would have implications for the size of the harvest and the amount of drugs produced, but how (and even if) these developments may be taken into account in the official U.S. estimates is unknown except by those who make the calculations.

The impact of variability in these parameters is not merely hypothetical. Toward the end of the 1990s, new information from the field prompted the CIA to significantly raise its estimates of coca leaf yield and cocaine processing efficiency in Colombia. As a result, the figures for potential Colombian cocaine production reported in the INCSR were revised upwards for the years 1995–1998, with the new estimates dramatically higher than the old ones (see Figure 8). Whereas the 1999 INCSR reported a total potential cocaine production for Colombia from 1995 to 1998 of 480 metric tons,⁴² the 2000 INCSR reported potential production of 1,315 metric tons for the same four-year period,⁴³ a near tripling of the outmoded estimate. Obviously, the point here is not to criticize the CIA for modifying its estimates in light of new information, or for revising the figures from past reports; the CIA ought to strive for such improvements. But the magnitude of the revisions (about a 175 percent increase in the estimates for each of the four years) highlights just how uncertain and provisional the official figures are, and underscores the great caution with which year-to-year changes should be interpreted.

The Drug Availability Steering Committee, an interagency group chaired by the DEA, was charged with reconciling supply-based and demand-based estimates of illicit drug availability. The committee's 2002 report cautioned that "the extent of uncertainty throughout the data sets" makes "drawing conclusions about year-to-year changes, such as increases or decreases, an unreasonable endeavor."⁴⁴ Even so, the committee reported its own results as point estimates instead of ranges. In recent years, the UN Office on Drugs and Crime (UNODC) has generated its own estimates of illicit

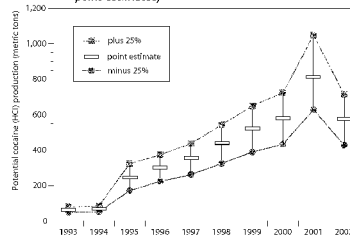
When the indicators relied upon to gauge success do not address the central policy goals, even quite strong performance at the tactical level may end in strategic failure.

Figure 8: Drug Production Estimates—Subject to Change
Previously published U.S. estimates of Colombian cocaine production for 1995–1998 were revised sharply upwards based on new information about yield and processing.



Source: U.S. Department of State, *International Narcotics Control Strategy Report* (INCSR), 1999 and 2000.

Figure 9: Potential Colombian Cocaine Production
(presented as plausible ranges rather than as point estimates)



Source: U.S. Department of State, *International Narcotics Control Strategy Report (INCSR)*, 2003.

Given the numerous, complex factors at play and the difficulties of gathering reliable information about a clandestine and dangerous activity, measurement uncertainty is a given.

drug crop cultivation and drug production. To its credit, UNODC has been more forthcoming than the CIA and State Department in describing the methodology and acknowledging the limits of its Illicit Crop Monitoring Program. With respect to estimating drug production, UNODC acknowledges that "potential margins of error in this rapidly changing environment, with new laboratories coming on stream while others are dismantled, are still substantial."⁴⁵ But UNODC also continues to use point estimates rather than ranges in reporting its results.

Given the numerous, complex factors at play and the difficulties of gathering reliable information about a clandestine and dangerous activity, measurement uncertainty is a given. For the official figures to be at all credible scientifically and statistically, the measurement difficulties must be reflected in the numbers that are actually presented. Failure to do so invites the impression that we know far more than we do. It is not unreasonable to suppose, for instance, that official estimates for potential cocaine production may be 25 percent higher or lower than the true amount, or even more. Graphing a 25 percent difference above and below the point estimates published in the INCSR demonstrates that not too much significance should be attached to the year-to-year fluctuations in the point estimates (see Figure 9).

Winning battles but losing the war

The traditional measures are typically presented with little, if any, reference to the relevant context, both in the sense of the scope of the drug control challenge being addressed and the historical record. For example, as discussed above, larger and more frequent seizures may actually mean that more drugs are being produced and smuggled—not exactly something to tout as a supply control success. Even more basically, however, the question is what difference even a large increase in cocaine seizures may make with respect to the drug's availability in the United States. And on this question, the seizure numbers themselves can shed no light.

Scale of the challenge. To put the seizure figures in context and understand the enormity of the challenge inherent in interdiction: of the 21,000 cargo ship containers that are unloaded on U.S. docks every day, only 4 to 6 percent of them have their contents inspected;⁴⁶ every day about a million people and 300,000 cars and trucks cross the U.S. border with Mexico;⁴⁷ and at just one U.S.-Mexico border post, about 15 million freight containers cross the border every year.⁴⁸ Legal commerce presents drug traffickers with nearly boundless opportunities to smuggle their product into the United States, and as detection technologies are improved, traffickers adapt with new smuggling techniques and routes. Unless this enormous influx of commercial goods into the country is dramatically curtailed (a scenario both unforeseen and unwelcome), drug seizure statistics will mean little as measures of ultimate drug control success:

On the order of 300–400 metric tons of cocaine ... enter the United States each year. Those quantities are a tiny, tiny fraction of the corresponding numbers for legitimate commerce, and that is what makes interdiction so difficult ... Even with seizure rates of 25–40 percent, cocaine keeps flowing in at prices that, while high compared to legal drugs such as tobacco and alcohol ... are still low enough to retain a mass

*market ... The counterdrug experience with interdiction is sobering: making U.S. borders impermeable to cocaine and heroin has proven impossible. In a free society with substantial international trade and tourism, 'sealing' the borders is not practical. Permitting the continued smooth flow of commerce and traffic has taken priority throughout the 'war on drugs.'*⁴⁰

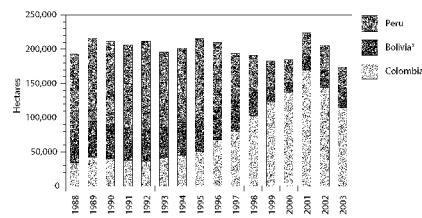
Similarly, the Bush administration has credited intensified aerial eradication in Colombia with "bringing us close to the tipping point where sustained suppression of illegal crops and alternative employment incentives together will convince growers that further cultivation is a futile proposition."⁴¹ As discussed above, these cultivation and production figures should be viewed with caution. Meanwhile, the Andean region's crushing poverty calls the administration's optimism into question: in the major cocaine-producing nations (Bolivia, Colombia and Peru), some 25 million people live on \$2 a day or less, and an estimated 10 million people are undernourished.⁴² While only a small fraction of the millions of people living in poverty in the Andes will become involved in drug crop cultivation, it is difficult to imagine that it will come to be regarded as a "futile proposition" any time soon. In fact, diminished coca production in the face of enforcement pressure in Bolivia and Peru has resulted in considerably higher prices for coca leaves, providing incentives for farmers to expand plantings, not curtail them. According to UNODC, the 2003 average farmgate price of Bolivian coca was nearly five times higher than in 1996, while the 2003 price of Peruvian coca was nearly triple the 1996 price.⁴³

History lessons. Some of the most impressive-looking indicators begin to shrink in significance when placed in historical perspective. For example, the Bush administration's claim that we will soon see a major disruption in cocaine supplies due to reported declines in coca cultivation are belied by the CIA's own figures taken at face value. These showed that the total area under coca cultivation in 2003 had dropped sharply from the 2001 and 2002 estimates. However, 2001 was the peak year for cultivation: the much-ballyhooed 2003 figure is only 5 percent lower than the point estimate for 1999, which represented the previous low (see Figure 10).⁴⁴ This is instructive in two regards:

- ▶ Although 1999 was the third consecutive year of decreased cultivation according to the official estimates, cocaine's U.S. price remained fairly stable. Cocaine's average wholesale price (purchases of more than 50 grams) rose from about \$43 per pure gram in 1999 to \$48 in 2000, but the price then fell in 2001 and again in 2002, on its way to an all-time low of \$38 in the first half of 2003.⁴⁵ To expect a price spike because 2002 and 2003 cultivation figures are lower than those of 2001 may be unrealistic, especially if the actual harvests have been larger than assumed.
- ▶ The 1999 low was followed by major expansions of cultivation in 2000 and 2001. The administration contends that the reductions reported for 2002 and 2003 will be maintained, and that there will be no repeat of the so-called "balloon effect," whereby cultivation is suppressed in one area but pops up in another. But according to U.S. estimates, the land area of Bolivian coca cultivation increased steadily from 2001 to 2003 even as

Diminished coca production in the face of enforcement pressure in Bolivia and Peru has resulted in considerably higher prices for coca leaves, providing incentives for farmers to expand plantings, not curtail them.

Figure 10: Coca Cultivation in the Andes



* Note: Beginning in 2001, USG surveys of Bolivian coca take place over the period June to June. Source: U.S. State Department, INCB, various years.

Colombia's was declining.⁵⁵ And there are already reports that new plantings in Colombia are beginning to counteract the reductions that have been credited to aerial eradication.⁵⁶ Even Colombian president Álvaro Uribe, a staunch proponent of fumigation, has conceded that it has had the effect of pushing farmers to replant drug crops elsewhere.⁵⁷

Unintended consequences. Meanwhile, the pursuit of "success" as measured by the same indicators has resulted in a disturbing series of unintended negative consequences. A short list of these includes:

- ▶ a crackdown on Colombian marijuana smuggling propelled the shift from marijuana to cocaine trafficking;
- ▶ the intensification of interdiction in the Caribbean and southern Florida prompted Colombian traffickers to reroute their shipments through Mexico; and
- ▶ aggressive coca eradication and coca paste interdiction in Bolivia and Peru contributed to the expansion of coca production in Colombia.

The traditional supply-side indicators allow U.S. drug war agencies to tout their achievements, but the indicators themselves, and the discourse they promote, divert attention from the cold reality that past successes have rearranged the drug trade, but not broken it.

In each case, the perceived immediate benefits were arguably outweighed by the eventual costs, even if considered strictly in terms of the new challenges facing enforcement. For example, the interdiction efforts in the Caribbean certainly compelled Colombian cocaine traffickers to move their routes out of the area, but it is difficult to consider the ensuing large-scale involvement of Mexican criminal organizations in cocaine trafficking as an advance in drug control. Similarly, tougher enforcement contributed to declining coca production in Bolivia and Peru, but the subsequent explosion of coca cultivation in Colombia has fueled the armed conflict there, even as U.S. military involvement in Colombia's counterinsurgency campaign deepens.⁵⁸

The traditional supply-side indicators allow U.S. drug war agencies to tout their achievements, but the indicators themselves, and the discourse they promote, divert attention from the cold reality that past successes have rearranged the drug trade, but not broken it. Enforcement can undeniably accomplish its immediate goals—e.g., eradication, seizures, arrests—but while individuals and even entire trafficking organizations come and go, the drug industry has remained intact and constantly found new ways to get illegal drugs through to consumers.

Traditional indicators create a false sense of confidence

The misplaced confidence that the traditional indicators are valid measures of success is based on a false assumption: that the activities they describe are likely to have a direct and significant impact on the ultimate retail price of cocaine in the United States. The failure to achieve such an impact to date suggests that this connection is not nearly as strong as commonly supposed. A more careful analysis of how the drug trade operates, combined with the weight of evidence regarding availability and prices, leads to the conclusion that the connection between supply-side activities and U.S. cocaine and heroin prices is very weak indeed.

ONDCP asserts that the U.S. supply control strategy is based on a "market model of illegal drug production" that serves to identify "where the production chain is vulnerable to disruption."⁵⁹ The attention lavished on drug crop cultivation and eradication figures flows from the premise that the "key vulnerability of the cocaine industry is the cultivation phase. ..."⁶⁰ Indeed, the State Department considers attacking drug production at the cultivation stage to be "by far the most cost-effective

means of cutting supply. If we destroy crops or force them to remain unharvested, no drugs will enter the system.⁶¹ This is appealing in its simple logic, but unfortunately, greatly overstates the vulnerability of coca leaf to enforcement, and then compounds the error by assuming it to be a high-value target.

Drug crops are obviously susceptible to enforcement, but if they are so vulnerable, how have they eluded the knock-out blow for so long? The coca bush is a hardy and adaptable plant that flourishes on steep slopes and in acidic soils unfriendly to other crops. It requires minimal tending and yields harvestable leaves early and often: bushes are productive within a year to eighteen months after planting, and yield three to six harvests per year over a period of anywhere from ten to twenty-five years. The leaves are lightweight and durable, and well suited to low-cost, long-range transport that does not depend on access to good roads. These advantages have ensured that, in the face of enforcement pressure, coca production will persist.

Meanwhile, eradicating coca actually inflicts very little damage on drug trafficking organizations and their capacity to produce and smuggle cocaine. Coca leaves constitute a tiny fraction of cocaine's ultimate U.S. retail price (see Table 3).⁶² For less than \$1,000, traffickers can purchase the coca leaf needed to produce a kilogram of cocaine that retails for about \$150,000 in the United States (when sold in \$100 units of one gram each, two-thirds pure). Even if the cost of coca leaf were to triple or quadruple, the impact on the ultimate U.S. retail price of cocaine would be negligible. Since traffickers' investment in their product at the initial stages of production is so minimal, it follows that attacking the drug trade at this point costs drug-trafficking organizations precious little.

U.S. drug control agencies routinely inflate the significance of their achievements by expressing the value of drug crops destroyed or drugs captured in terms of the price that the drugs might have fetched on U.S. streets. For example, the State Department has claimed as "riveting fact" that its eradication efforts in 2001 and 2002 "took \$5 billion worth of cocaine, at street value, off the streets of the United States."⁶³ Such announcements imply that traffickers have been dealt a heavy blow, and that U.S. illicit drug supplies are perceptibly tighter as a result. But, as explained above, eradication takes place at a point where traffickers have invested very little, and where losses in raw materials can be recouped fairly readily or buffered against in the form of stockpiled production. A quantity of cocaine worth \$5 billion on U.S. streets would be worth no more than \$50 million at the cultivation stage. While eradication is indeed a heavy blow to coca farmers, traffickers' business is not jeopardized, and the disruption of production registers barely, if at all, in U.S. prices. Thus understood, the price structure of the illicit drug market makes it extremely difficult to drive up retail prices through source country programs.

Table 3: Prices of Cocaine through the Distribution System, 1997

(prices per pure kilogram equivalent)	
Leaf (Peru)	\$650
Export (Colombia)	\$1,050
Import (Miami)	\$23,000
Wholesale, Kilo	\$33,000
Wholesale, Oz	\$52,000
Retail (100 mg. pure)	\$188,000

Source: U.S. Drug Enforcement Administration, as appearing in Peter Reuter and Victoria Greenfield, "Measuring Global Drug Markets: How good are the numbers and why should we care about them?" *World Economics*, vol. 2, no. 4, October-December 2001.

Eradicating coca actually inflicts very little damage on drug trafficking organizations and their capacity to produce and smuggle cocaine. While eradication is indeed a heavy blow to coca farmers, traffickers' business is not jeopardized, and the disruption of production registers barely, if at all, in U.S. prices.

The Teflon Policy

Given their many flaws, how have these activity-based indicators held such sway?

The most basic reason is that the numbers seem so tangible, and serve to reassure policymakers that the United States and its drug war allies are engaged in vigorous attacks against the illicit drug trade. The indicators also conform neatly to an understanding of the drug trade in which "going to the source" seems the most direct road to drug control success. At another level, the sheer amount of activity taking place to produce the numbers gives the impression of forward progress, even if the recorded results are short-lived, not cumulative, and unrelated to ultimate drug policy objectives.

The NRC concluded that it "is unconscionable for this country to continue to carry out a public policy of this magnitude and cost without any way of knowing whether and to what extent it is having the desired effect."

The dubious nature of the traditional supply-side drug war indicators has not gone entirely unnoticed in official Washington. A 2001 National Research Council (NRC) study on how research could better inform U.S. drug policy blasted the federal government for its meager investment in enforcement research. The NRC found that "the data and research capacity are in place" for assessing drug prevention and treatment strategies, but are severely deficient with regard to evaluating drug enforcement. According to the NRC, in 1999 only \$1 was spent on enforcement research for every \$107 spent on drug enforcement itself. The NRC concluded that it "is unconscionable for this country to continue to carry out a public policy of this magnitude and cost without any way of knowing whether and to what extent it is having the desired effect."⁶⁴

In 2003, the Bush administration's Office of Management and Budget (OMB) published a scathing performance review of the Drug Enforcement Administration (DEA), giving it a "results not demonstrated" rating after finding that "DEA is unable to demonstrate its progress in reducing the availability of illegal drugs in the U.S."⁶⁵ In 2003 and again in 2004, OMB also gave the Coast Guard "results not demonstrated" ratings for its drug interdiction efforts, pointing out that there is "no clear link between the annual goal of total amount of drugs seized and the long-term goal of reduction in use."⁶⁶

But the candor of the NRC study and the OMB performance reviews are the exceptions that prove the rule. Despite chinks in the armor, the enforcement-oriented drug war has remained fairly impervious to questions about its real-world effectiveness. Indeed, the Bush administration's ONDCP has "restructured" the federal drug control budget in a way that hides several billion dollars in annual spending on drug-related incarceration.⁶⁷ The FY 2003 drug budget request included \$4.4 billion in spending by the federal judiciary, the federal Bureau of Prisons, and several other Justice Department agencies.⁶⁸ But beginning in FY 2004, this spending on the prosecution and incarceration of drug offenders all but vanished from the drug budgets presented each year by ONDCP,⁶⁹ while in reality, spending on drug-related incarceration continues apace (see Table 4). To illustrate, more than 23,000 people were sentenced to federal prison in 2001 for drug offenses. In the coming years, the federal government can expect to spend about \$3.5 billion to incarcerate those sentenced in 2001, and similar costs are being incurred for the groups sentenced in 2002, 2003 and so on.⁷⁰

Not coincidentally, removing such a large chunk of enforcement spending from its rendition of federal drug control expenditures allows ONDCP to present Congress with a budget that *appears* to be almost evenly balanced between spending on supply control and demand reduction. The newly "balanced" budget—a deliberate and substantial distortion of actual federal spending—is now used by ONDCP to rebut criticisms that the U.S. strategy places excessive emphasis on incarceration and other supply-control tactics. The plainly deceitful "restructured" drug budget, and the silence with which

it has been greeted by Congress, suggest that Washington still lacks the appetite for candidly assessing drug control progress.

Square Pegs and Round Holes

Nevertheless, as time goes by, it becomes increasingly difficult for proponents of the drug war status quo to simultaneously embrace the goal of curbing drug supplies and ignore the evidence suggesting that the goal remains far out of reach. The intensified U.S. drug war began in earnest, at home and abroad, more than two decades ago, but to date, there is no evidence that the commitment to tough-sounding policies has reduced drug availability, made drugs more expensive, or contributed to reducing drug consumption. On the contrary—the overwhelming weight of the available evidence indicates that supply remains abundant, prices are lower than ever, and use is stable if not rising. U.S. policy clings to the belief that “going to the source” provides the biggest bang for the buck, but the evidence supports a different view: that overseas supply-control efforts have made little, if any, contribution to reducing U.S. drug problems. Moreover, the very structure of the illicit drug markets consigns supply-side efforts to what is at best a marginal role in reducing drug consumption.

Some proponents of the status quo (and those who would further escalate the drug war) offer the argument that cocaine and heroin might be even cheaper today were it not for aggressive supply control efforts. That may be so—there is no evidence one way or the other. But such a counterfactual argument is a far cry from the routine assertions that U.S. overseas drug control programs are “demonstrably effective,” and that “a major and permanent disruption of the illicit drug industry” is imminent. One suspects that if

There is no evidence that the U.S. commitment to tough-sounding policies has reduced drug availability, made drugs more expensive, or contributed to reducing drug consumption—the available evidence indicates that supply remains abundant, prices are lower than ever, and use is stable if not rising.

Table 4: The Incredible Shrinking Budget

Prosecution and incarceration-related spending are no longer shown in ONDCP's federal drug control budget. (budget authority in millions of dollars)

	2002 National Drug Control Strategy (budget authority in millions)			2004 National Drug Control Strategy (restructured budget)		
	FY 2001 Final	FY 2002 Enacted	FY 2003 Request	FY 2003 Final	FY 2004 Enacted	FY 2005 Request
Bureau of Prisons*	2,341.5	2,525.1	2,443.0	43.2	47.7	49.3
Federal Judiciary	756.8	819.7	921.1	0.0	0.0	0.0
Federal Prisoner Detention	375.5	429.4	463.9	0.0	0.0	0.0
U.S. Marshals Service	223.8	255.1	277.8	0.0	0.0	0.0
U.S. Attorneys	228.2	244.6	254.4	0.0	0.0	0.0
Criminal Division	35.1	37.8	38.7	0.0	0.0	0.0
Totals	3,960.9	4,311.7	4,398.9	43.2	47.7	49.3

In ONDCP's "restructured" budgets, the only Bureau of Prisons spending shown is for treatment for drug-involved offenders.
Sources: ONDCP National Drug Control Strategy, 2002 and 2004.

the price spike predicted for 2005 fails to materialize, proponents can be counted on to counsel staying the course—if not this year, the hoped-for price impact will surely be achieved next year, and so on.

The supply-side drug war has enjoyed a free pass for years, but reality is slowly beginning to intrude, especially in the form of the price trend data highlighted in this brief. These are data that actually do measure progress against the fundamental goal of supply-control policy—restricting availability in order to reduce use—and do so in a way that is far more scientifically sophisticated and robust than the traditional indicators have ever been.

Policymakers must treat price data not as an afterthought, but as the point of departure for assessing the effectiveness of supply control policies. Doing so will help bring our supply control efforts into more realistic perspective, and expose as hyperbole and empty promises much of the rhetoric surrounding the U.S. war on overseas drug production and trafficking.

The effectiveness of drug treatment in reducing drug use, supported by three decades of scientific research and clinical practice, brings corresponding reductions in crime and the spread of disease, meaning that the benefits of treatment far exceed its costs.

Spinning Our Wheels, or Changing Course?

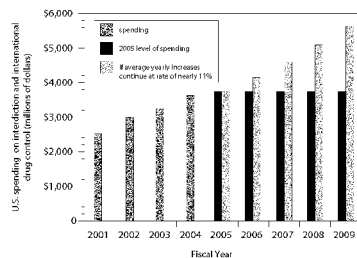
With the evidence as their guide, U.S. policymakers should invest more resources in drug control strategies already proven to work (e.g., treatment) or that show real promise (e.g., systematic testing and sanctions to reduce drug use among people on probation or parole).⁷¹

By contrast with supply-side drug control, the effectiveness of drug treatment in reducing drug use is supported by three decades of scientific research and clinical practice.⁷² Moreover, the reductions in drug use achieved through treatment bring corresponding reductions in crime and the spread of disease, meaning that the benefits of treatment far exceed its costs. A landmark 1994 study in California found that every dollar invested in treatment saved the state's taxpayers seven dollars in future costs, primarily by preventing crime.⁷³ Compared to alternative strategies, treatment is also an exceptionally cost-effective way to reduce drug consumption. In 1994, RAND found that as a means of reducing cocaine consumption, treatment for heavy cocaine users is twenty-three times more effective than drug crop eradication and other source-

country programs, eleven times more effective than interdiction, and three times more effective than mandatory minimum sentencing.⁷⁴ Even if treatment is "only" ten times more effective than crop eradication at reducing cocaine consumption, the significance for policy ought to be clear: our limited drug control resources should be directed to strategies that accomplish the most for the least expense.

The corollary is that failing and marginal strategies should be scaled back. The United States has already sunk nearly \$45 billion into worldwide overseas supply control programs since 1981, but plainly failed to drive up drug prices as intended. Even if spending remains flat at the level of the Bush administration's fiscal year 2005 request of \$3.75 billion, by the end of this decade the

Figure 11: U.S. Spending on Overseas Drug Control



Source: Office of National Drug Control Policy (ONDCP), *National Drug Control Strategy*, 2004.

government will have spent close to an additional \$19 billion on overseas supply control (see Figure 11).⁷⁵ With the price trends in mind—as well as the federal budget's recent plunge from surplus into deficit—policymakers must ask themselves: At what point does admirable optimism become mere wishful thinking? And at what point does wishful thinking become plain delusion? When will we stop throwing good money after bad?

Congress itself must insist on new standards for measuring supply-side drug control progress, beginning with a focus on price trends instead of the traditional eradication, seizures and arrests numbers. The Bush administration certainly cannot be expected to take the lead in shaping an evidence-based drug control policy—the cynically deceptive “restructured” drug budget and go-slow approach to publishing the new price data suggest no great commitment to an open, factual debate about how to improve drug control policy. Nor can the drug war's operational agencies themselves be expected to make the shift to more meaningful measures of success—the drug war has gathered enormous bureaucratic inertia, as rising drug enforcement budgets have created interested parties with a stake in limiting perceptions of the drug problem and its possible solutions to their own areas of expertise. The traditional supply-side indicators have served U.S. international drug control agencies well in this sense, and the prestige that these indicators have come to enjoy will not be relinquished voluntarily. Therefore, legislators in Congress will themselves have to set the tone: overseas supply control will no longer get a free pass, but will actually have to demonstrate positive results.

So, are we there yet? Are we succeeding in shrinking the supply of cocaine and heroin and driving up prices? The best available evidence suggests that we are in a deep rut, spinning our wheels and going nowhere fast. We can keep on like this and pretend to be moving forward—the traditional activity-based indicators are good for that. Or we can take a fresh look at the situation, and reconsider our drug control options. A fresh look would reveal many far more promising routes to reducing drug consumption that we have yet to fully explore.

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Endnotes

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WOLA's "Drugs, Democracy and Human Rights" project

WOLA's "Drugs, Democracy and Human Rights" project, which began in 2001, examines the impact of the drug trade and U.S. international drug control policy on human rights and the consolidation of democracy throughout Latin America and the Caribbean. Looking at both production and transit, researchers from Argentina, Bolivia, Colombia, Ecuador, Mexico, Peru, Puerto Rico and Central America have documented and analyzed a number of themes, including:

- ▶ whether security forces receiving U.S. funding and/or training for drug control activities are committing human rights abuses, and if so, how the perpetrators are called to account;
- ▶ whether the judiciary is effectively pursuing such cases, or if they are handled by military courts;
- ▶ the definition of the military's mandate, the relationship between military and police forces, and whether drug control funding is empowering the military to expand into activities normally reserved for the police;
- ▶ the functioning of civilian institutions, including mechanisms for oversight of drug control activities through legislation and congressional committees;
- ▶ in addition, U.S. authors have laid out the involvement and functioning of U.S. military and law enforcement in international drug control in Latin America.

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